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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Ever-loving God, we thank You for the quiet rest of the night, for the promise that has come with this new day, and for the hope that we feel. While we slept, we rested under the shadow of Your love. Now, as sleep has been washed from the eyes of our minds, implant them with trifocal lenses so that we may be able to behold Your signature in the natural world around us, see the needs of people so we can care for them with sensitivity, and visualize the work that we must do. With minds alert and hearts at full attention, we salute You as our Sovereign. Thank You for meeting all the needs of our bodies, souls, and spirits so that we can serve You with renewed dedication. As You hover around us as we pray, grant us wisdom throughout the day. In the name of Him who is Your amazing grace. Amen.

PLEDGE OF ALLEGIANCE

The Honorable GEORGE VOINOVICH, a Senator from the State of Ohio, led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Delaware is recognized.

SCHEDULE

Mr. ROTH. Mr. President, this morning the Senate will resume debate on the motion to proceed to the African trade bill with a cloture vote on the motion to proceed scheduled to occur at 10 a.m. Following the vote, it is hoped that the Senate can start debate on the bill so that Senators can begin to offer their amendments. Completion of the bill is expected to occur midweek so that the Senate can move to other items on the calendar prior to adjournment. The conference committees are working to complete action on the two remaining appropriations conference reports, and the Senate will consider these conference reports as soon as they become available.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

AFRICAN GROWTH AND OPPORTUNITY ACT—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the motion to proceed to H.R. 434, which the clerk will report.

The bill clerk read as follows:

Motion to proceed to the consideration of H.R. 434, an act to authorize a new trade investment policy for sub-Saharan Africa.

The PRESIDING OFFICER. Under the previous order, there will be 30 minutes for debate equally divided.

Mr. ROTH. Mr. President, I rise in support of the motion to proceed to H.R. 434. As I indicated on Friday, when we proceeded to the bill, I will offer a substitute to the House language that consists of the Finance Committee-reported bills on Africa, CBI, GSP renewal, and the reauthorization of our Trade Adjustment Assistance programs.

Each one of these measures deserves our support. What each represents in its own way is an attempt to reach out and provide not just a helping hand, but an opportunity—an opportunity for millions around the world to seize their own economic destiny.

Africa has for too long suffered from our neglect. The continent faces daunting political, economic, and social challenges. Yet, African leaders are seizing the opportunity to press for political and economic change.

The goal of the Finance Committee's Africa bill is to meet Africa's leaders half way. It is not a panacea for Africa's problems; rather, it is a small downpayment—an investment—in a partnership that I hope we can foster through our actions here.

The Finance Committee's CBI bill does much the same. It builds on an economic foundation begun with the passage of the original CBI in 1983, but responds as well to the efforts of Caribbean and Central American leaders to rebuild their economies in the face of incalculable devastation their countries faced this past year. The bill would afford the same basic package of enhanced trade preferences offered to Africa under the Finance Committee's bill.

The economic opportunities offered by the Finance Committee Africa and CBI bills extend to U.S. industry as well. According to the American Textile Manufacturers Institute, the Finance Committee bills would lead to an increase in their sales of $8.8 billion over 5 years and an increase in employment of 121,000 jobs. The bills are expressly designed to ensure that they are a benefit to Africa and the Caribbean, and to the United States as well.

The renewal of the Generalized System of Preferences would continue the longstanding policy of the United States of opening our market to create economic opportunity throughout the developing world and merits our continued support.

The renewal of the Trade Adjustment Assistance programs is entirely consistent with the theme of creating economic opportunity, but it is focused on

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

home. I have always maintained that those who benefit from trade should help those who are adversely affected. The TAA programs have lapsed and must be renewed if we are to fulfill that commitment.

Now, much has been made in this debate of the fact that Finance Committee bills entail a unilateral grant of preferences. The implication is that there is nothing in this for the United States. In fact, the economic growth fostered by this legislation create new markets for our goods and services, as well as help create more prosperous and stable neighbors.

That is an investment I will make any time. I strongly encourage my colleagues to support the cloture motion and the motion to proceed to H.R. 434.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I yield myself so much time as is allotted.

Mr. President, right to the point made by our distinguished chairman, the expression was used, ''meeting halfway.'' I am of the school that NAFTA did not work. But assuming it did work, it at least included the side agreements with respect to the environment, side agreements with respect to labor, and reciprocity with respect to the actual tariffs. This particular bill has no reciprocity, whether it be in the Caribbean—we are prepared now to list the various tariffs there, minding you that the United States average textile tariff is about 10 percent.

I am looking at lists of the sub-Saharan Africa tariff rates: Ethiopia, the average there would be about—I see some 65, but most of them on apparel are 80 percent; other made-up products, textile, home furnishings, 80 percent; Gabon, 30 percent for an average there; Ghana, 25 percent. We are going to do away with the Ivory Coast, which has a markup also, a tariff; Kenya: 50, 50, 50, 62 percent on laminated fabric, 50 percent on apparel; the textile, home furnishings, another 50 percent; Madagascar: 25 percent, 30 percent; Mauritius, 80 percent for man-made filament yarn, textile floor coverings, apparel, textile; home furnishings, 80 percent—I ask unanimous consent a summary of these tariffs be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPENDIX

SUB-SAHARAN AFRICA TARIFF RATES—SUMMARY

HS Chapter and product	Tariff rate[1] (percent ad valorem)	
	Range	Average (estimate)
50—Silk fiber, yarn and fabric	0–100	15
51—Wool yarn and fabric	0–100	18
52—Cotton yarn and fabric	0–65	18
53—Other vegetable fiber yarn and fabric	0–100	15
54—Manmade filament yarn and fabric	0–65	17
55—Manmade staple fiber yarn and fabric	0–80	17
56—Wadding felt & nonwovens, yarn, twine, cordage	0–100	19
57—Carpets and other textile floor coverings	0–100	34
58—Special woven fabric, tufted fabric, lace, tapestries	0–100	24
59—Impregnated, coated, laminated fabric	0–100	22
60—Knit fabrics	0–80	28
61—Knit apparel	0–100	31
62—Apparel, not knit	0–100	27
63—Other made-up products, textile home furnishings	0–100	27

[1] Summary of 28 countries' tariff rates (South Africa, Botswana, Lesotho, Namibia, Swaziland, Central African Republic, Burkina Faso, Cameroon, Chad, Congo, Eritrea, Ethiopia, Gabon, Ghana, Ivory Coast, Kenya, Madagascar, Malawai, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe).

Mr. HOLLINGS. That is for the sub-Sahara. Later, when we have more time I will be delighted to list in there, too, what we have down in Nicaragua and Panama, and the other so-called Caribbean Basin Initiatives.

The truth of it is, in the initial observation of our distinguished chairman that this is going to give millions around the world a chance to seek their economic destiny, my problem is it is going to sink the economic destiny of the United States, particularly in the textile field, as it were, and many other fields as we set the case for so-called free trade.

I wish I had the time to emphasize the fact there is no such thing. Starting with Alexander Hamilton, in the earliest days of David Ricardo and comparative advantage, and just after the fledgling colonies had won their independence, that the Brits corresponded with Alexander Hamilton saying now what you should do is trade best with what you produce and we will trade back from the mother country with what we produce best. In a little booklet, ''Reports On Manufacturers''—there is one copy left there at the Library of Congress—Alexander Hamilton, in a line said: Bug off. We are not going to remain your colony. We are not going to continue to ship our wheat and our corn and our coal and our timber, our natural resources, like some kind of infant republic, and let you have the manufacturing strength.

As a result, on the 4th day of July, 1789, the second bill to pass the National Congress after we had adopted the Resolution for the Seal of the United States, the second bill was a tariff bill of 50 percent covering some 60 articles. We built this economic giant with protectionism.

We maintain certain protections, oh, yes, we make sure we protect intellectual property, you know, that brainy crowd, that Microsoft crowd that has 22,000 employees who are all millionaires; 22,000 millionaires working for you. I wish I were one of them. That is a wonderful situation, when you have all that manpower. But the real strength of our democracy is our middle class. Henry Ford said: Pay them enough so they can buy what they are producing. That is how we develop, with our manufacturing strength, this industrial power, the United States of America.

Now there is a zeal for continuing foreign aid as foreign trade. This is not a trade bill, it is an aid bill. It is unilateral. It is a one-way street. It is not even like NAFTA. There are not any side agreements whatever, yet you do not find some of our leaders in the environment and in labor. I know not why the chairman mentioned ATMI. No one has worked more intimately with ATMI than myself, until we got to NAFTA. Then the fabric boys said: The dickens with you apparel boys, we are going for broke. Certain it is they can sew down in Mexico as well as they do in the United States. That is your problem. Our problem is, with all this fine manufacturing, where we can produce the fabrics and continue to make a fortune.

So they just dropped their political strength. As the principal author of five textile bills that passed in this Senate in the last 30 years or more, I know better than any that we have the votes from up in the Northeast. The apparel boys—Saul Chaikin would turn over in his grave at this particular bill. Herman Staorbin, Jack Sheinkman—real leaders. I don't know where they are today. I cannot find them around. They seem to go along with foreign aid, export some more jobs. Yes, under NAFTA, we lost 420,000 textile jobs. The chairman is quoting ATMI that it is going to produce 121,000 jobs. That is pure poppycock. I make a bet on it. Let him bet on his words, any odds he wants and I will cover the bet. I can tell you here and now there is no chance of creating the jobs. This is a one-way export of jobs.

That Finance Committee comes around and says: Exports, exports, we have to emphasize exports. We do not have anything left to export. We are not exporting any software. We are not exporting the computers or anything else such as that. We had to put in Semitech to save the semiconductor industry. They talk about aid and subsidies and everything else—oh, they are all for themselves but they are not for working Americans.

It is unique. Here I am—I voted for the right-to-work law and I am a strong supporter at the State level, not at the Federal level; I want my advantage down there in South Carolina because that is how we are getting a lot of good industry there; I want that individual decision—but this so-called conservative southern Governor is now having to protect organized labor when there is no one around this morning at all. There is no voice to be heard to save the jobs up there in the Northeast or anywhere else.

This is a sad occasion. Let me try to list some of those things we have imported now, from the Center of Domestic Consumption, the various products there, to show you exactly where we are. With respect to the machinery sector—48.9 percent of the machinery sector is represented in imports. I know with respect to textiles it is over 66 and two-thirds.

I told the Members on Friday we were alarmed when it reached 10-percent import penetration in textiles. Now two-thirds of the clothing I am looking at is imported; 86 percent of the shoes. I know with respect to electronic products it is 57.9 percent.

It is sad. We invented the radio and electronics, and the Japanese have taken over in those areas. These things are too detailed to put in the CONGRESSIONAL RECORD. I will have a better listing. Sometimes when you try to get information, you get so much information it is totally useless.

My point is, the strength and security of the United States of America is like a three-legged stool: One leg is our values as a nation. That is unquestioned. Everyone knows America will commit in Somalia and help bring about freedom and democracy in Bosnia. As we travel the world as Senators, we see we are the envy of the world with respect to individual rights, freedom of mankind, and equal justice under law. They all acknowledge that. We do not have to worry about that leg.

The other leg, of course, is the military leg or military power. As the one remaining superpower, that is unquestioned.

But the third leg, the economic leg, has been fractured. We have had foreign aid. It worked. This Senator is not complaining about it. I am making a factual observation as to where we are. Yes, we started after World War II and taxed ourselves some $85 billion for the Marshall Plan. We sent over our machinery, the best of our machinery, the best of minds, the technology, the managers, and capitalism has conquered communism in the Pacific rim and in Europe. We continued.

I will never forget, as a Governor, they said: Governor, come on, what do you expect these recovering and emerging nations to make, airplanes and computers? We will make the airplanes and computers, and they will make the shoes and the clothing. My problem today is, they are making the shoes, they are making the clothing, they are making the computers, and they are making the airplanes. They are dumping them.

We are finally getting the attention of the Senators from Washington and Boeing. They are beginning to understand. I have had their opposition over many years with respect to trade because they like the Federal Government, in defense, doing all their research, they like the Federal Government putting in the Eximbank to subsidize their sales overseas. We never had subsidized sales for textiles. They love all of that. Then they said: Oh, we have to get to work; we have a global economy, competition, competition.

The textile industry—look at the record—for 15 years has reinvested an average of $2 billion a year modernizing. I told the story of the Clinton plant the other day. It is 100 years old. It looks like from the outside it will fall down, but it has the most modern machinery. There was no one in the card room. Where they once had 125 in the weave room, there are no more than 15. They have mechanized, computerized, and electronically controlled operations.

Those companies that have survived are the most productive, competitive textile industry in the entire world. Our problem is, it is not going to pay to invest and continue to compete and survive for the plain and simple reason that this one-way street of foreign aid—I wish it were going to aid those countries.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, I will continue at the appropriate time. I thank the Chair. I yield the floor, and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I want to transfer my hour under cloture. I ask unanimous consent that the hour transfer to the Democratic manager so it can be yielded to another Senator today.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. It is just a transfer of an hour. I do not think anybody will object to it. I have to make an appearance before the city council of Isle of Palms relative to the loss of my home. I have to leave to make that appearance and come back.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I thank the distinguished Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. GRASSLEY. Mr. President, I ask unanimous consent that Paul Hamrick, a congressional fellow in Senator GRAHAM's office, be granted the privilege of the floor during debate on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, this side yields back what unexpended time we have.

CLOTURE MOTION

The PRESIDING OFFICER. All time having expired, under the previous order, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 215, H.R. 434, an act to authorize a new trade and investment policy for sub-Sahara Africa:

Trent Lott, Bill Roth, Mike DeWine, Rod Grams, Mitch McConnell, Judd Gregg, Larry E. Craig, Chuck Hagel, Charles Grassley, Pete Domenici, Don Nickles, Connie Mack, Paul Coverdell, Phil Gramm, R.F. Bennett, and Richard G. Lugar.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call under the rule has been waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 434, an act to authorize a new trade and investment policy for sub-Sahara Africa, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

The yeas and nays resulted—yeas 90, nays 8, as follows:

[Rollcall Vote No. 341 Leg.]

YEAS—90

Abraham	Feinstein	Lott
Akaka	Fitzgerald	Lugar
Allard	Frist	Mack
Ashcroft	Gorton	McConnell
Baucus	Graham	Mikulski
Bayh	Gramm	Moynihan
Bennett	Grams	Murkowski
Biden	Grassley	Murray
Bingaman	Gregg	Nickles
Bond	Hagel	Reed
Boxer	Harkin	Reid
Breaux	Hatch	Robb
Brownback	Hollings	Roberts
Bryan	Hutchinson	Rockefeller
Burns	Hutchison	Roth
Campbell	Inhofe	Santorum
Cochran	Inouye	Sarbanes
Conrad	Jeffords	Schumer
Coverdell	Johnson	Sessions
Craig	Kennedy	Shelby
Crapo	Kerrey	Smith (OR)
Daschle	Kerry	Specter
DeWine	Kohl	Stevens
Dodd	Kyl	Thomas
Domenici	Landrieu	Thompson
Dorgan	Lautenberg	Torricelli
Durbin	Leahy	Voinovich
Edwards	Levin	Warner
Enzi	Lieberman	Wellstone
Feingold	Lincoln	Wyden

NAYS—8

Bunning	Collins	Snowe
Byrd	Helms	Thurmond
Cleland	Smith (NH)	

NOT VOTING—1

McCain

The PRESIDING OFFICER. On this vote, the yeas are 90, the nays are 8. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. BUNNING. Mr. President, I believe strongly in free trade. I believe in the productivity of the American worker. I believe in American ingenuity and technology and I believe that, if we eliminate the barriers, our industry and our workers can compete effectively with anyone in the world.

I have always supported fast-track legislation to give the executive branch the freedom to negotiate trade agreements with other nations.

But back in 1993, despite my inclination to support free trade, I wrestled long and hard with the facts and the figures and I determined that NAFTA—the North American Free Trade Agreement—was not a good agreement for us.

It was a hard vote for me—in 1993—but I ended up voting against NAFTA. I was convinced that it would indeed cost this Nation jobs.

Unfortunately, time and the trade statistics have proven me right. NAFTA was a bad agreement. Since the implementation of NAFTA, we have managed to turn a trade surplus with Mexico of $1.7 billion a year into a trade deficit that, this year, will exceed $20 billion.

The giant sucking sound has been heard in Kentucky—5,000 jobs from the apparel industry—sucked out of the State and the Nation. Thousands of appliance manufacturing jobs have drifted south to Mexico. At least 7,000 Kentucky jobs are gone.

In particular, the apparel and textile industries have been devastated. In the last 56 months—since the implementation of NAFTA, the apparel industry has lost 305,000 jobs, and the textile industry has lost 125,000 jobs.

They are just gone, disappeared.

Now, we are being asked to expand portions of this agreement to include the other Caribbean and Central American countries—and to provide new trade preferences for the 48 countries of Sub-Saharan Africa.

Basically, we are being asked to take a failed policy—NAFTA—and expand it dramatically. That makes absolutely no sense at all.

I urge my colleagues to vote against this expansion of NAFTA and the guaranteed loss of additional U.S. jobs.

The CBI parity portion of this legislation is based on the premise that we need to spur economic growth in the Caribbean and Central America. The same arguments are used in favor of this bill that were used in support of NAFTA.

Supporters say that economic growth and investment in our neighbors to the south will benefit us in terms of increased exports and increased domestic employment because of those exports. And that logic is very difficult to dispute—over the long haul.

Certainly, healthy economies in the Caribbean and Central American countries would open new export opportunities for U.S. goods and services. Certainly, expanding economies in the area would reduce the pressure of immigration—legal and illegal alike.

Certainly we want healthy economies in this area to help strengthen the growth and stability of democracy in our neighborhood.

We do need to do everything we can, within reason, to encourage economic growth in the Caribbean. It makes sense.

But it doesn't make sense to sacrifice an entire U.S. industry and hundreds of thousands of U.S. jobs to do it. And that is what this bill will do.

The Caribbean Basin apparel and textile business is already booming. Last year, apparel and textile exports from the Caribbean and Central America to the United States grew 9 percent, a growth rate double that of the U.S. economy.

At $8.4 billion in 1998, textile and apparel exports from the Carribean Basin countries to the United States already exceed the $7.5 billion in textiles and apparel exported to our Nation by Mexico.

When it comes to helping expand the economies of the Caribbean countries and Central American countries, the American textile and apparel workers have already given at the office—430,000 jobs have been lost to help fuel this exodus.

Expanding NAFTA in this way, at this time, will simply reward the companies that have already left the United States and sent their manufacturing facilities to the Carribean Basin because of lower wages.

In the process, we stand to lose another 1.2 million jobs in the apparel and textile industry.

Ask the people in Campbellsville, Kentucky if that makes sense to them.

It doesn't.

The African trade portion of this bill doesn't make much more sense.

I think that everyone certainly agrees that we need to encourage economic development in Africa. It is in our long-term best interests to establish strong trade linkages with Africa because it is a huge potential market for U.S. goods.

And if this bill simply provided incentives for increased manufacturing and production of African products, I would probably not have any problem with it.

But this bill doesn't just open the door for increased trade with Africa—it opens, even wider, the door to a flood of Asian products that could further devastate our domestic textile and apparel industry. So, our good intentions would, in all likelihood benefit Asia much more than Africa.

The bill creates a huge new incentive for transshipments of Asian goods through Africa.

Transshipment is nothing new. Asian manufacturers have been illegally transshipping goods into the United States through Africa for more than 15 years.

Customs has estimated that transshipments from Asia have grown from $500 million in 1985 to $2 billion, and possibly as much as $4 billion a year. Africa has been one of the major transshipment routes into this country.

This bill, because it lowers tariff duties dramatically, would create an almost irresistible incentive to cheat even more.

And ironically that cheating will actually undermine NAFTA and the Caribbean Basin Initiative which include strict anti-fraud provisions that safeguard our domestic producers to some extent.

Because it offers lucrative incentives for Asia to transship and no realistic methods to prevent transshipment, billions of dollars of illegal Asian imports will enter the United States duty free and quota free from Africa in direct competition with NAFTA and Caribbean Basin products.

And no matter how good U.S. workers are, they can't compete against Asian imports that are subsidized from fiber production on down.

The U.S. Customs Service doesn't have the resources to stop illegal transshipment. Local African customs officials don't have an incentive to stop it.

Asian manufacturers, who dominate world trade in textiles and apparel are unlikely to invest money in Africa if it is more cost effective to transship through Africa.

And that means the Asian manufacturers will either transship the entire garment or they will only do minor assembly work in Africa. Either way, the yarn, the fabric and most, if not all, of the labor will come from Asia.

A couple buttons or a zipper here and there might be added in Africa, but this trade bill will benefit Asia much more than Africa and African workers.

So, here we have two trade bills wrapped into one. Both are flawed. Both jeopardize domestic industries and domestic workers who have been devastated already.

The Caribbean Basin Initiative portion of this bill expands NAFTA—which has already been costing us thousands—hundreds of thousands of jobs—many of them from my home State of Kentucky.

It rewards companies which have already moved their jobs from the United States to the Caribbean and for what purpose?—to expand growth in an industry which is already growing very nicely in those Caribbean nations.

More U.S. jobs will be lost as a result.

The African trade provisions in this bill are designed to increase investment and expand the manufacturing base in Africa. But in the absence of strong, realistic restrictions on transshipment of Asian manufactured products, this bill would, in all likelihood, benefit Asia more than Africa.

And it would further devastate the apparel and textile industries in our own country.

I still believe in fair trade. But there is nothing fair about this bill for the U.S. apparel and textile industries.

We keep talking about creating a level playing field when it comes to fair trade. But this bill pulls the field right out from under U.S. industries which have already had an uphill fight just to stay alive.

It doesn't make any sense. And I urge my colleagues to vote against it. NAFTA should have taught us a lesson.

Mr. WELLSTONE. Mr. President, I have a question. If the Senator from Florida is going to speak now, I am not actually trying to get the floor ahead of him. I wanted to ask the Senator from Florida, is it his intention to speak on this legislation now?

Mr. GRAHAM. I am prepared to yield time to the Senator if he is prepared to speak at this time.

Mr. BREAUX. Will the Senator yield?

Mr. GRAHAM. Will the Senator from Minnesota yield? I had indicated to our colleague, the Senator from Louisiana, who wishes to make a memorial statement for our colleague, Senator Chafee, that he would have an opportunity to do so at this time.

Mr. WELLSTONE. Absolutely. Of course.

Mr. GRAHAM. I yield 5 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

IN HONOR OF SENATOR JOHN CHAFEE

Mr. BREAUX. Mr. President, I take this opportunity to rise to express my thoughts about the loss of a great friend and a dear colleague, Senator John Chafee. The Senate has lost a great Senator and this country has, indeed, lost a great American. All of us in the Senate family have lost a great friend.

John Chafee was a Senator who thought of what was best for his country first and thought about the politics, if he did at all, last. All of his colleagues, I know, will have great personal memories of Senator Chafee, how their paths crossed over the years, and the work he did as a leader of the Senate Environment and Public Works Committee. On our own Senate Finance Committee, when we had such historic debates, Senator Chafee was always in the midst of them. I know his work on the Environment and Public Works Committee will ensure all Americans in the future will breathe cleaner air and drink cleaner water and have to worry less about their health because of the environment in which we all live. He always was a leader in the environmental area and will always be noted for that. It is true; all of us are better off for the services he provided in that capacity.

I remember John Chafee and the efforts he and I undertook together. It was, indeed, my privilege to work with him on what became known as the Centrist Committee, a centrist coalition. Senator Chafee was enthusiastic about finding a consensus on the difficult issues that faced our country, but he was concerned about more than just trying to find a consensus; he was really concerned about creating a consensus. His efforts in our little coalition produced some dramatic results because he, in hosting these meetings with our colleagues from both sides of the aisle, truly recognized solutions to difficult problems cannot come from the far left or the far right. These difficult solutions must be found in the center, and that is where I think he found himself most comfortable.

We used his hideaway office here in the Senate almost on a weekly basis, as I said, to host meetings between Republicans and Democrats who worked together. We talked to each other rather than merely listened to echoes of ourselves. We actually spoke about the issues and tried to find and recommend solutions that were not necessarily good political solutions but were the right thing to do for this country.

I think his greatest accomplishment in this area that I remember was the recommendations that he helped guide in the area of health care. We ultimately brought them to the floor of the Senate and they were adopted by a very strong majority of this Senate, to a large extent because of the credibility John Chafee brought when he was listed as being one of the principal cosponsors. Unfortunately, those recommendations did not become the law of the land, but I am certain, and very confident, that one day they will.

So John Chafee will be missed by all of us. He served his State and he served his Nation very well. I look to the day in the Senate when there will be more John Chafee's. Certainly this Nation and this country needs them and we deserve them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I join my colleagues in expressing my profound sadness on the passing of our good colleague and our great friend, Senator John Chafee, and to offer my most sincere condolences to his wife Ginny, their 5 children, and 12 grandchildren, the entire Chafee family, and also people in Rhode Island, who have lost a strong advocate, a compassionate leader, and a true friend.

This body and this Nation are diminished today by the loss of one of the finest people I have ever had the privilege to know in politics.

Senator Chafee's life was an ode to the finest ideals of public service. He fought in World War II and Korea because he believed in freedom. He served in the State legislature and as Governor of Rhode Island because he loved his State. He answered the call to become Secretary of the Navy because he wanted us to have the best defensive force in the world. He ran for the Senate because he thought he could make a difference, and what a difference he has made.

I had the honor of working with Senator Chafee in this body for only a little under 5 years, but as did everyone else on Capitol Hill, I had long known of his reputation for thoughtfulness and reason. Indeed, for anyone who really cared about the art of legislating, John Chafee was a household name.

I consider myself fortunate for the opportunity to have worked with this great American and to have seen firsthand why he engendered such respect and affection from both sides of the aisle and from all political persuasions. He was an extraordinary man of sincere humility, boundless energy, and steadfast integrity. It was difficult enough coming to terms with his impending retirement from the Senate. Now it will be immeasurably more difficult to come to terms with his passing.

Throughout my tenure in the Senate, I have felt a special kinship with Senator Chafee on a number of levels. For one thing, he and his wife Ginny have long had a home in my State of Maine, a home that has been in his family more than 100 years, in the beautiful town of Sorrento just across the bay from where my husband's family has a place. And we had a chance to see them during the course of the summer. Clearly, I knew from the start that Senator Chafee was a man of discerning taste.

In fact, he would often say—only half-jokingly—he considered himself the third Senator from Maine. If such a thing were really possible, we could not have been more honored, and we certainly could not have had a better advocate for our great State.

On the political front, I always saw Senator Chafee as something of a kindred spirit. He epitomized what it meant to be a modern, moderate Republican. For him, compromise was a way things got done. It was the way we distilled all the opinions, all the issues, all the viewpoints, and arrived at legislation that could change America and change lives for the better. For John Chafee, there was strength in compromise, courage in compromise, honor in compromise, and he was right. He viewed it not as an abdication of principle but a catalyst for constructive policy.

Senator Chafee was willing to take risks in order to do what he believed was in the best interests of Rhode Island and our country. For him, leadership and the public good were two concepts forever and eternally intertwined. Sometimes that meant being a lone voice in the wilderness, and he was willing to be that voice.

Time and again, John Chafee was there, both out in front and behind the scenes, as Senator Breaux just mentioned, forging consensus, breaking deadlocks, and bringing people together on countless issues that were key for Americans, issues that resonate today in people's daily lives and will continue to resonate for generations to come.

John Chafee always put ideas ahead of ideology. That is why he was at the forefront of the legislative and political debates in Congress. He proposed sensible, viable, and realistic alternatives. I well remember in the budget debates of 1995 and 1996 when Senator Chafee joined Senator Breaux to form a bipartisan group of Senators to bridge the political gulf that had opened in the aftermath of the Government shutdown. I was proud to be a member of that group because John Chafee was never about making the political points; John Chafee was about making the process work, and that is precisely what he did during the budget debate and throughout his entire 23 years in the Senate.

He was a tireless advocate on so many issues vital to the future of this country, perhaps none more important than the health of our Nation's environment. In fact, when it comes to the protection of our natural resources, it can truly be said that John Chafee has left a lasting mark on the landscape of America.

He was a strong voice for the environment, shepherding the Clean Air Act of 1990 and consistently supporting the preservation of our country's precious wetlands and open spaces. He has played a role in every major Federal initiative to control pollution and protect our natural resources over the past 20 years, and it is testament to his vision that generations of Americans not even born will have John Chafee to thank for a healthier world.

Of course, it is not only the health of our environment he sought to protect. Until the very end, John Chafee was a champion for those less fortunate, and that includes health care for low-income families and expanded health coverage for uninsured low-income children. He was a visionary on the issue of child care. He knew we had to make it safer, more accessible, more affordable, and it was my privilege to join him in that fight.

More recently, just last week, I joined him on a bill he and Senator Rockefeller introduced that will help foster children make the transition to independent living. Just shortly after I learned of John's passing, I had to get on a plane yesterday, and I picked up a newspaper and read an editorial in the Los Angeles Times, in fact, praising this legislation, saying this is not extending a welfare project but building a bridge to independence. That is the type of approach John would take on issues.

I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Oct. 25, 1999]

FOSTERING LIFE SKILLS

Every year 20,000 foster children, in the United States turn 18 and are "emancipated." It's a cheerful euphemism for loss—of shelter, health care and their foster parents.

Federal Health and Human Services statistics show that many former foster children lack the resources and training to make much of their abrupt freedom. In Los Angeles County, for instance, fully half of the 1,000 foster children who are "aged out" of the system every year end up homeless within six months.

Legislation now pending in the Senate Finance Committee, by Sens. John Chafee (R–R.I.) and John D. Rockefeller (D–W. Va.), gives Congress a chance to recognize what any parent raising an adolescent already knows: Yanking the whole safety net at age 18 can be a recipe for disaster.

Since 1992, Washington has allocated $70 million a year to states that want to help foster children ages 16 to 18 prepare for independent living by teaching them how to budget money, prepare for college and find a job. The modest Chafee/Rockefeller bill would double funding to $140 million a year, allow that money to be spent helping those over 18 and extend Medicaid eligibility to those ages 18 to 21.

This is not extending a welfare crutch; it's building a bridge to independence. "Bridges to Independence" is in fact the name of a nonprofit program in Los Angeles that has successfully given older foster children the tools they need—from a sympathetic ear to job-interview counseling and apartment-hunting skills—to lead productive lives.

Chafee and Rockefeller have asked Congress to approve their bill by voice vote and send it to President Clinton this week.

Congress is scrambling to approve several higher-profile, multibillion-dollar spending bills before recessing next week. And fast-tracking the bill, which largely mirrors President Clinton's fiscal year 2000 budget requests for foster care, means getting the approval of fervent anti-Clinton Republicans like House Majority Whip Tom Delay (R–Texas). However, the bill is gaining broad support in Congress and was championed in Senate testimony last week/19 by none other than Delay. Delay explained that, as the foster father of two adolescents himself, he understands the problems of the foster children who testified before him. One "emancipated" foster child told legislators how she ended up sleeping behind McDonald's, in laundry rooms and hospitals "because they were safe and they were warm."

The United States can surely do better by its most vulnerable youth than a "safe, warm" laundry room to call home.

Ms. SNOWE. Mr. President, that was typical of John Chafee. He saw the potential of people—the best in people—and did everything he could to enhance their lives. He did not just root for the underdog; he was on the field helping the underdog. We can attribute more than a few upset victories over the years to his efforts.

It is hard for me to believe it was just 6 days ago I saw John at the weekly lunch we moderate Republicans hold every Wednesday. We take turns holding them in our offices. Last week, it was in John's office. Little did we know it would be for the last time.

It was a tradition he started in 1995. Back then, our circle included Senators Cohen and Kassebaum. We always looked forward to them. They were our refuge to discussions of what was happening on the floor, in the Senate, and in the country. It was a refuge from the "hurly-burlyness" of the process in the Senate with like-minded Senators. It was a tradition we looked forward to every week. I know it will not be the same without him.

At these luncheons, John always brought to the table the issues about which he most cared. We would also expect he would have a list of issues and legislation he was promoting that he thought was important to bring to our attention and to get our support. In fact, John was just speaking last week, as I said, about the foster children legislation, and I joined him on that issue because he was so passionate, as he was on all of the issues, whether it was child care, the environment, or families on welfare looking to make a better life for their family. Such talk never surprised any of us in the room because it was the essence of the man; it was what drove him.

Once again, it was also revealed in words forged by deep compassion and unyielding humanity in so many respects. Maybe it sounds trite in our world at the end of the 20th century, maybe it sounds old fashioned in a time when cynicism is celebrated over optimism, but John Chafee cared. He was a good man who believed he had something to offer the Nation in which he felt privileged to live, and he saw public service as a noble calling. Ironically, perhaps, it is precisely because of people such as John Chafee that public service remains a noble calling.

So today, there is a hole in the Senate where this great man once was. There is an empty desk on this floor where a remarkable leader once stood. There is a hollowness in our hearts.

But even in the midst of our sadness, let us also celebrate the life of a man who brought such extraordinary credit upon himself, his family, his State, and this institution. Senator Chafee now and forever will be a part of this Chamber. His compassionate and reasoned voice will forever echo from these walls, and his legacy will endure. It is a legacy we would all do well to follow.

We measure success in our lives and in this body by many different standards. But at such a solemn time as this, I cannot help but think of the words of Ralph Waldo Emerson who wrote:

> . . . to know even one life has breathed easier because you have lived. . . . This is to have succeeded.

So many lives have breathed easier because John Chafee lived, because John Chafee cared, because John Chafee was a United States Senator.

I thank the Chair. I yield the floor.

Mr. GRAHAM. Mr. President, I yield 5 minutes to the Senator from Illinois.

Mr. DURBIN. I thank the Senator from Florida.

Yesterday, as I was driving with my wife to the airport in Springfield, IL, to catch the plane, we were listening to National Public Radio and heard that my friend and colleague, Senator John Chafee, had passed away. I turned to my wife and said: This was a really special guy. I am sorry you didn't get to know him.

I have only served in the Senate for a little over 2 years. I look over there at his desk, which now has a bouquet of flowers, and realize that just a few days ago we were on the floor together talking about legislation and votes.

He was such an extraordinary man. In the 2½ years I have been here, I came to know him and developed a friendship across the aisle, Democrat to Republican. I really came to respect John Chafee. He has an amazing story. Tom Brokaw has a famous book that is very popular called ''The Greatest Generation,'' about the men and women who served our country in World War II and what special people they were. John Chafee was one of those people. To leave Yale and enlist at the age of 20, to go into the Marines and be part of the invasionary force on Guadalcanal, and then to come back and complete his education but to consider his obligation to his country so paramount he left again to serve in the Korean war under some very difficult circumstances, it shows a special, personal commitment to public service. Many of us, myself included, stand in awe when we consider that.

Then, of course, he served as Secretary of the Navy during the Vietnam war, a very controversial period in our history, and was regarded as a fair and honest man in that responsibility. Three times Governor of his State of Rhode Island, four times elected as Senator from a State which has historically elected more Democrats than Republicans, it was quite a tribute to John Chafee that he was elected time and again by his neighbors and friends in the State of Rhode Island.

Here on the Senate floor he played an important role. In my mind, he was a constant reminder of what the Senate could be on a good day; that there could be people of like mind on both sides of the aisle coming together to find bipartisan solutions. When I would have a gun control bill I wanted to offer to try to reduce gun violence, I would look across the aisle. I always knew John Chafee would stand up and come to the press conference. We would announce the bill. As we would leave, he would say: I know I am going to hear it again from the National Rifle Association back home but, he said, I just think this is the right thing to do.

It wasn't just on issues of gun violence. You could find the same thing when it came to issues to protect the environment. John Chafee always stood out from the pack. He was always a special person, trying to build an alliance, trying to build a coalition.

I recall when he came to me and asked me to do him a personal favor. As a junior Member of the Senate who respected him so much, I wasn't going to say no. But he told me he had been chosen by the Chicago Council on Foreign Relations to head up an Atlantic Forum that took place every 2 years, bringing together political leaders from Europe, South America, and North America to talk about the future. He asked me if I would be kind enough to attend that conference in Portugal.

I thought about it and realized if it was important to him, it should be important to me. We went to Portugal together. John Chafee presided over about the 150 gathered to talk about some very involved political issues. He did it with such grace and style, such knowledge of the subject. It was one of the more successful conferences I ever attended. When it was over, he announced, shortly thereafter, that he was going to retire from the Senate. He came and asked me, as a favor, would I consider taking over the chairmanship of this forum.

It was a great honor that he would even ask me to consider following in his footsteps, after he had written such an envious record as the chairman of the Atlantic Forum. I have agreed to do that. I hope it will continue in his memory.

As he tried to bridge the ocean to make sure people in North America and South America and Europe came together to find common ground, he did the same thing day in and day out in the Senate.

Just a few months ago we had a contentious debate over gun control. At the last moment, Vice President GORE came in to cast the deciding vote. An important bill left the Chamber, but before that vote was cast, I was talking to John Chafee about this issue on which we held common views. He talked to me about what we could accomplish on the Senate floor and how we shouldn't go too far. He said: A lot of my colleagues over here on the Republican side disagree with me on this issue. I think we ought to stop at this point. I think we have made our point, and we have a good bill. We should proceed.

When I came back over to the Democratic side, I said: This is the advice of John Chafee. A lot of Democratic Senators looked and nodded because they knew it was good advice. It was not only good advice from the head; it was advice from the heart. That was the kind of person he was, respected so much for his intelligence but respected even more for his kindness and his compassion.

I am honored to serve in the Senate. There are moments in public life when each of us think twice about whether we chose the right career. But there are also moments that are ennobling moments, when you feel as if you were part of a great institution for a great Nation. I always felt working with John Chafee embodied those moments. He spoke to the best of the Senate.

He was a good friend, a great colleague, and he was a great American who served his Nation in so many ways. We are going to miss John Chafee, but his memory will endure.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Florida.

Mr. GRAHAM. Mr. President, before yielding time to the Senator from Minnesota, I will take a few moments to also share some thoughts about our departed colleague, John Chafee.

I had the great privilege of serving with John Chafee for nearly 13 years. We served together on the Environment and Public Works Committee and on the Finance Committee and had many opportunities to work closely together.

John Chafee was the kind of public servant whom citizens in a democracy hope to have representing them. He represented a small State, both geographically and relatively, in population. It is the kind of State where the citizens have an intimate relationship with their elected representatives; they know them personally; they can evaluate their character; they are not dependent on a flickering 30-second television ad to give them information about the people who are seeking their vote.

Election after election, in a largely Democratic State, Republican John Chafee received the vote of the people of the State of Rhode Island, a great tribute to the fundamental character of the citizens of that State and the man who gave his life in the service of that State.

John Chafee's life was epitomized by the word ''service.'' As Governor, as Secretary of the Navy, as a Senator, he displayed wisdom, dedication, and patriotism. Those qualities had been molded in the flames of World War II and the Korean war, where he served in some of the most intense combat. I imagine when some people suggested that a vote in the Senate was a testing vote, a difficult vote, he might have put that in the context of what he experienced in his young adult life at Guadalcanal.

As a colleague, I particularly admired the thoughtful, pragmatic manner in which he approached his duties in the Senate. He was a mentor. I remember the first committee meeting in which I participated, which was a markup, a meeting in which legislation was before the Environment and Public Works Committee for action and then recommendation to the full Senate. It was the 1987 version of the transportation bill, always a controversial matter.

I had come to that committee with a number of ideas from my previous State experience in Florida. I was enthusiastic and had some amendments to propose. On the first day of committee consideration of this legislation, I was fortunate to get two of my amendments adopted. After the vote on the second amendment, Senator Chafee, speaking across the committee room from his position on the Republican side, said to me: Good work; now I recommend you quit.

That was good advice for that day.

His willingness and distinctive ability to reach out to Senators with all points of view kept the Senate at the reasonable center of American politics. John Chafee was proud to be categorized a moderate, proud to assume the label of a centrist. He brought common sense to our deliberations.

The Senate has sometimes been analogized to ''the saucer,'' as in a cup and saucer. It is the place where the hot tea or coffee is poured so that it can be cooled before it is consumed. That was one of the rationales of our Founding Fathers, establishing a bicameral legislature with one house being very close to the people and one house being, hopefully, a more deliberative body. John Chafee epitomized that concept of the place where the hot passions are reconciled.

John Chafee was also the kind of person who was more interested in results than with recognition. There probably are some pieces of legislation that are known as the Chafee act, or have his personal name associated with them. But, frankly, today, I cannot recall what that might be. I think John Chafee is perfectly satisfied with that. His goal was not to have his name etched in legislative marble or stone but, rather, to achieve a result. He was interested in building the edifice, not whose name was on the cornerstone of the edifice. That was the kind of human being John Chafee was.

As a result of his commitment to results rather than recognition, in fact, some of the Senate's most memorable achievements in recent years bear his imprint. Expanded environmental protections, a balanced budget, and an improved transportation system were the results of his leadership and influence.

As with all of us, John Chafee was a good friend, a trusted colleague. John will be sorely missed. He leaves a legacy that adds distinction to this body and to the title of public servant. We all send our deepest sympathy and best wishes that solace will be found in the great accomplishments of this truly great man, and that his family and the thousands of persons fortunate enough to call John Chafee a friend will find a solace and a capacity to deal with the grief that we all suffer today.

Mr. President, I yield such time as he may wish to the Senator from Minnesota.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, for those who might be watching our deliberations, I had a chance to speak yesterday about Senator Chafee. I will get back to the debate on this legislation.

As I listened to my colleagues, I was reminded of a press conference that we had several months ago on some work I have been doing with Senator DOMENICI. The legislation is called the Mental Health Equitable Treatment Act, which we very much want to pass this year. Certainly, we won't get it done in the next 2 weeks, but I hope we will when we come back. I remembered that one of the original cosponsors was Senator Chafee. I agree with what everybody has said about him. It will be a tremendous loss for the Senate and our country. Again, today, I extend my love to Senator Chafee's family.

AFRICAN GROWTH AND OPPORTUNITY ACT—MOTION TO PROCEED Continued

Mr. WELLSTONE. Mr. President, both colleagues have been gracious to those of us who are in opposition to this legislation. We will be taking some time to lay out our case against the legislation. Senator HOLLINGS, of course, is one of the leading opponents. Because of the necessity to go back to his family experience of the real agony of having a home burned down, he needs to be away for this afternoon. A number of us will be here because a number of Senators want to speak. I will divide up my time and take about a half hour now, and I will be back this afternoon as other Senators speak.

I have a letter that went out to Senators, signed by many African American religious leaders who oppose the African Growth and Opportunity Act and support the HOPE for Africa Act. That is the title.

I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AFRICAN-AMERICAN RELIGIOUS LEADERS OPPOSE THE ''AFRICA GROWTH AND OPPORTUNITY ACT'' (AGOA) AND SUPPORT THE ''HOPE FOR AFRICA ACT'', OCTOBER 20, 1999

DEAR SENATOR: We are a group of religious leaders who share with other community leaders, scholars and activists, grave concerns about the various proposed versions of the ''Africa Growth and Opportunity Act'' (AGOA: H.R. 434, S. 1387, S. 666). We urge you to oppose the AGOA approach to U.S.-Africa relations.

We support an alternative legislative proposal, the ''HOPE for Africa Act'' (HOPE meaning Human Rights, Opportunity, Partnership and Empowerment) S. 1636 introduced by Senator Russ Feingold (WI). The HOPE for Africa bill has been developed with colleagues and other public interest advocates, human rights and community groups in Africa and the United States.

We have been very clear about our opposition to H.R. 434, the ''Africa Growth and Opportunity Act'' that has now come over to the Senate. We view this controversial bill, which was accurately dubbed the ''African Re-colonization Act'' last year, as actually *damaging* to the interests of the majority of African people.

The AGOA's sponsors have refused to seriously address the concerns of its prominent critics, such as TransAfrica President Randall Robinson, Professor Ron Walters, President Nelson Mandela of South Africa, Rev. William Campbell, Clergy and Laity United for Economic Justice and Rep. Jesse Jackson Jr., and many of his colleagues in the Congressional Black Caucus including Rep. Maxine Waters, and Rep. John Lewis.

Over the course of the last and current Congress, African American leaders and organizations concerned about Africa have carefully studied the actual provisions of the different versions of the AGOA. Close analysis of the bills reveals that although they are wrapped in rhetoric about helping Africa, these bills are designed to secure U.S. business interests, often at the expense of the interests and needs of the majority of African people and at the expense of African nations' sovereignty and self-determination. They have thus been rightly designated as ''corporate bills'' rather than as measures promoting justice or fair trade.

Incredibly, the House version of AGOA, which its proponents insist will be preserved in any House-Senate conference process, imposes substantial burdens on the sub-Saharan countries, burdens which are not imposed on other U.S. trading partners. That the U.S. should condition trade with African nations alone on demands that these countries reorganize their domestic policies and priorities is offensive. To add injury to insult, these burdens are in exchange for meager trade benefits—two of the 48 sub-Saharan countries would have quotas for textiles and apparel removed, yet all such quotas expires when the Multifiber Agreement sunsets in 2005.

The Senate versions of the ''Africa Growth and Opportunity Act'' effectively eliminate even the meager trade benefits the House version of AGOA could provide African countries. After all, it is highly unlikely that manufacturers will assume the expense of shipping product to Africa (as opposed to the Caribbean) just for the limited purpose of assembly, as provided in the bill.

The people of Africa must have our support as they strive to build democracy and improve the standard of living in their nations. Certainly it would be a travesty if U.S. policy actually undermined the future prospects of most Africans, which is why many on the continent oppose AGOE.

Given our opposition to the AGOA approach and our strong desire for a mutually beneficial U.S.-Africa policy, African colleagues participated in crafting a proposal aimed at promoting equitable, sustainable, sovereign African development. The key elements of ''The HOPE for Africa Act'' are the African priorities of debt relief and self-determination of those economic and social policies best suited to meeting the needs of African people. These include strengthening and diversifying Africa's economic production capacity (for instance in the processing of African natural resources and manufacturing), and fair trade in sectors (unlike textiles and apparel) promising a long term opportunity for African economic development.

We urge you to support S. 1636, the forward-looking ''HOPE for Africa Act,'' that would meet the needs and interests of the people of both Africa and the United States, and to oppose the various outstanding versions of the AGOA approach.

Sincerely,

Rev. William D. Smart, Phillips Temple CME Church, Los Angeles, CA.

Rev. Dr. Bennie D. Warner, Camden, AR.

Rev. William Monroe Campbell, Second Baptist Church, Los Angeles, CA.

Rev. M. Andrew Robinson-Gaither, Faith United Methodist Church, Los Angeles, CA.

Rev. Richard (Meri Ka Ra) Byrd, Senior Minister Unity Center of African Spirituality, President of the Los Angeles Metropolitan Churches (LAM), CA.

Pastor Leroy Brown, Wesley United Methodist Church, Los Angeles, CA.

Pastor William Brent, Evening Star Baptist Church, Los Angeles, CA.

Rev. E. Winford Bell, Mount Olive Second Missionary Baptist Church, Los Angeles, CA.

Rev. Al Cooke, Fort Mission Fruit of the Holy Spirit Church, Los Angeles, CA.

Pastor Wellton Pleasant, South LA Baptist Church, Los Angeles, CA.

Pastor Maris L. Davis Sr., New Bethel Baptist Church, Venice, CA.

Pastor Robert Arline, Bethesda Church, Los Angeles, CA.

Reve. Joseph Curtis, United Gospel Outreach, Los Angeles, CA.

Rev. Eugene Williams, Los Angeles Metropolitan Churches, Los Angeles, CA.

Pastor Larry D. Morris, Mount Gilead Baptist Church, Los Angeles, CA.

Rev. W.K. Woods, President Progressive Baptist Convention of CA.

Pastor Kenneth B. Pitchford, Greater Hopewell Full Gospel Baptist Church, Los Angeles, CA.

Rev. J.C. Briggs, Christian Life Missionary Baptist Church, Los Angeles, CA.

Rev. Michael Pfleger, St. Sabina Church, Chicago, IL.

Dr. Rev. Bennet Poage, Associate Regional Minister, Christian Church Kentucky for Kentucky Appalachian Ministry.

Rev. Dr. Curtis A. Jones, Madison Avenue Presbyterian Church, Baltimore, MD.

Rev. Clarence Philips, Nazareth Baptist Church, Menden Hall, MS.

Rev. David E. Womack, Mt. Olive Ministries, MS.

Rev. Artis Fletcher, Mendall Bible Church, MS.

Rev. Thomas Jenkins Sr., New Lake Church, MS.

Rev. R.J. Walker, St. Matthew Baptist, MS.

Pastor Tony Duckworth, Mount Olive Community Church, MS.

Rev. John L. Willis, Disciples of Christ Inter-denomination, Menden Hall, MS.

Pastor Neddie Winters, The Church of the City, MS.

Rev. Phil Reed, Voice of Calvary Ministries, MS.

D.L. Govan, Voice of Calvary Fellowship, MS.

Rev. Edward Allen, Philemon Baptist Church, Newark, NJ.

Bishop Alfred L. Norris, The United Methodist Church, Northwest Texas—New Mexico Area.

Reverend David Dyson, Pastor, Lafayette Avenue Presbyterian Church, Brooklyn, NY.

Rev. Daniel Mayfield, Knoxville, TN.

Rev. Derek Simmons, First AME Zion Church, Knoxville, TN.

Rev. Walter Shumpert, Houston St. Baptist Church, Knoxville, TN.

Rev. Brian Relford, Logan Temple AME Zion Church, Knoxville, TN.

Rev. Dr. Terrie E. Griffin, Founder & President of HEALAIDS Inc., Richmond, VA.

Dr. Jesse Gatling, Richmond, VA.

Rev. Rufus Adkins, Richmond, VA.

Rev. Joan Armstead, Richmond, VA.

Dr. Charles Sr. Baugham, Richmond, VA.

Rev. Selwyn Q. Bachus, Richmond, VA.

Dr. Louis R. Blakey, Richmond, VA.

Rev. Meredith J. Blow, Richmond, VA.

Rev. Delores O. Booker, Richmond, VA.

Rev. J. Elisha Burke, Richmond, VA.

Rev. Gloria W. Flowers, Mechanicsville, VA.

Rev. Dr. G.G. Campbell, Richmond, VA.

Rev. Marie G. Arrington, Richmond, VA.

Rev. Joseph A. Fleming, Richmond, VA.

Dr. Samuel F., Jr. Williams, Richmond, VA.

Rev. Dr. B.S. Giles, Mechanicsville, VA.

Rev. Dr. Terrie E. Griffin, Richmond, VA.

Rev. Queen Harris, Richmond, VA.

Rev. Barbara Ingram, Glen Allen, VA.

Rev. William Jenkins, Sandston, VA.

Rev. John E. Jr. Johnson, Richmond, VA.

Rev. D. Wade Richmond, Richmond, VA.

Rev. Dr. Robert L. Taylor, Glen Allen, VA.

Rev. Fernando, Sr. Temple, Richmond, VA.

Rev. Robert E. Sr. Williams, Richmond, VA.

Rev. Lucille L. Carrington, Richmond, VA.

Rev. William Moroney, Missionaries of Africa, Washington, DC.

Mr. WELLSTONE. Mr. President, I want to say to my colleague from Florida, given the remarks I am about to make, that I know when it comes to the United States-Caribbean Basin Trade Enhancement Act, although we have a number of trade bills that are lumped together right now—he is interested in one of the questions that I am going to be raising today and one of the reasons I oppose this. I certainly hope we can have some enforceable labor standards. I will talk about that in a moment.

I want to say one of two things. Either the debate on S. 1387 and S. 1389 is not the debate that we should be having now, or if we do move on to this legislation—I ask for the yeas and nays on the motion to proceed.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WELLSTONE. If we go forward, I want to make the case that either we should not be considering this legislation, or if we go forward, a number of Senators are very anxious to have the opportunity to bring amendments to the floor that are all about our work and representation of the people in our States. In particular, I want to make the case that I have an amendment that I have said to the majority leader for the last 4 weeks—I have had to even put holds on other bills of some Senators, making the point that I am not opposed to your legislation. I don't want it going through by unanimous consent, and I only want an opportunity to have an up-or-down vote on this amendment that deals with the mergers and acquisitions that are taking place in agriculture.

My view is we ought to have a moratorium on these mergers and acquisitions at least for the next 18 months. We ought to do that because, right now, this frightening concentration of power on the part of these packers and grain companies and on the part of these middle men, on the part of these exporters is driving our family farmers and producers off the land—that along with record low prices. The two are interrelated. I certainly, as I speak today—and probably this afternoon—will talk about that amendment and talk about why I believe so strongly that I should have the opportunity to—and I intend to—bring that amendment out on this legislation if we go forward.

I also want to say I don't think the debate on campaign finance reform should be over. It is too central an issue to politics and public life in America. I think it is the core problem. I think it is one of the major reasons why people are so disillusioned. I had an amendment that I brought to the floor, which basically went down when those who were opposed to campaign finance reform were able to block the legislation.

The amendment I am focused on says, look, if we are not prepared to enact bold reform, then at least let's not get in the way of citizens around the country who, at the grassroots level, are making a difference. And if the people in Maine, Vermont, Missouri, Massachusetts, and other States are going to go forward with the clean money/clean election initiative, which is a way of getting the big, private interest money out and basically making sure the public financing means these elections belong to the people, they ought to be able to apply that to Federal races as well, the Senate races and House races. For any Senator or Representative, it would be voluntary on our part as to whether we want to be part of that system. But States ought to be able to pass legislation to present that option. I will have that amendment, and I will be ready to introduce that amendment to this legislation. I don't think the debate on campaign finance reform should be over. I hope other Senators will come out here with other amendments to deal with campaign finance reform.

If we think this is such a central issue, if we think this is an issue perhaps of the same importance as the civil rights question and legislation that we passed in 1964 and 1965, we ought not to be abandoning this fight. And there are a number of us with amendments.

For me, again, my answer on that is, first and foremost, the producers and the family farmers of my State are being driven off the land. I think the farm policy is a miserable failure. I think we have to make some changes. I am hoping people on both sides of the aisle will agree. I am not interested in pointing fingers and saying you cast the wrong vote X number of years ago; you are wrong, and you are wrong. I am interested in making some modifications and changes to get farm prices up and farm income up to give our producers a fair shake. That is what I am interested in. I certainly am interested in this whole question of campaign finance reform.

I also want to say to colleagues that I certainly hope we consider an amendment on raising the minimum wage. We have been trying to get this amendment up for some time now.

Senators should have an up-or-down vote. If Senators are opposed to raising the minimum wage $1 over 2 years, then Senators can come out here and say they are opposed and make their case. I think that is the way it should be. I am sure I will hear some good arguments on the other side of the aisle, or maybe even among some Democrats. I don't know why they oppose raising the minimum wage. I think some of them will be forceful arguments. But the point is, we ought to be accountable. The point is, we ought to be willing to have an up-or-down vote. I am assuming there will be Senators who will want to have an amendment on raising the minimum wage, Senator KENNEDY being the leader of this effort with any number of us joining in.

Finally, before I get to the substance of this bill, I want to bring up another topic which I am sure some of my colleagues are tired of. This will be the fourth round where I have been making the appeal that we ought to have the courage to do the policy evaluation to know what is happening with the welfare bill. Every time I do this, I am either defeated by a close vote or it is passed and then dropped in conference. I think that has happened again. To me, it is outrageous. I will have an opportunity to talk about this when I introduce this amendment.

But to make a very long story short, to cut the welfare rolls in half does not necessarily mean we have success. We have success when we have cut poverty in half; we have success when welfare recipients, who by definition are basically single-parent families—women and children primarily—are better off economically. So we ought to know, as women and children are essentially no longer receiving welfare assistance, do women have jobs now? What kind of wages do they pay? We need to understand. The Families U.S.A. study says 670,000 of America's children have no medical assistance because of this bill. Do they still have health care coverage or not? In addition, we ought to know with the 30- to 35-percent drop in food stamp participation—the Food Stamp Program being the major safety net program for children's nutrition—does this mean more children are now going hungry today in our country?

Finally, we need to know whether or not there is affordable child care. We ought to at least do the honest policy evaluation. Given, again, the conference committee dropped this, I will be back with this amendment.

After having said that, in particular, again, let me emphasis my primary focus—there are a number of amendments—which is, more than anything else, I want to make the fight on agriculture. I want to have the opportunity to bring to the floor of the Senate an amendment and legislation that I think will help alleviate some of the suffering among family farmers. I want to do that. I think we should have, before we leave, the opportunity to have a debate about ways in which we can change agricultural policy for the better. If other Senators have other ideas, I think that is great as well. I do not want to see us leave without trying to take some positive action.

After having said that, I think this debate about the CBI and the African trade bill could be useful and enlightening. I said this on Friday as well. The question really is, when we talk about trade policy, we want to know whether we can make the global economy work for working families. That is the test: Can we make this new global economy work for working families in our country. I am an internationalist. I argue for the people of the other countries as well.

Senator FEINGOLD introduced an impressive and innovative bill based on legislation that was introduced in the House by JESSE JACKSON, Jr., that blazes a trail for U.S. trade policy. It is truly ground breaking.

Finally, people who want our trade policy to work for working families will have an alternative that I think they can wholeheartedly support. I don't think the issue is whether or not we expand trade. I don't think the issue is whether or not the United States of America is part of an international economy. I certainly don't think the issue is that we should put walls up on our borders. I think the issue is, on whose terms are we going to expand trade? What are the rules and who benefits from those rules? I am interested in the rules of trade. I am not interested in trade without rules. Let me say that again. I am interested in the rules of trade, which means I am interested in trade. I am not interested in trade without rules.

In this case, the choice could hardly be clearer. The Feingold-Jackson legislation, called the HOPE for Africa Act, says the expansion of trade should benefit working families and poor families in America and in Africa. Trade agreements should be about making the global economy work for ordinary citizens. The HOPE for Africa bill says if you are really serious about raising labor and environmental standards across the globe, then we have to have enforceable—let me mention that two or three times—enforceable protections built into our trade agreements. The HOPE for Africa bill says that we can't be serious about wanting to help African countries develop economically if we don't do anything about their crushing debt burden. The HOPE for Africa bill says that the lives of Americans or the lives of Africans suffering from AIDS are more important than the monopoly profits of the pharmaceutical companies. The HOPE for Africa bill has its priorities set straight. It expands trade the right way by putting people first. We have heard that before. Why don't we make it a reality?

Our other option, I fear, is more of the same, more NAFTAs—NAFTA for the Caribbean, NAFTA for all of South America, NAFTA for Africa. I certainly don't want to see IMF-style economic policies that I think have been impoverishing one country after another all over the world with the austerity measures—raise interest rates, try to export your way out of a crisis, and more investment protections for multinationals to export jobs overseas so they can avoid complying with American-style labor and environmental standards. That is what we are talking about—more investment protection for multinationals to export jobs overseas so they can avoid complying with American-style labor and environmental standards—more trade incentives so multinationals can shift those goods right back into the United States, competing against American workers trying to organize a union.

The message is: Try to organize a union and we go to another country. More enforceable protections for the interests of multinationals and foreign investors and more unenforceable lip service for the interests of working families. This is a policy that says to working Americans: Don't even try to organize a union.

This is the main basis of my opposition. Do that and we will move jobs overseas with special trade and investment incentives. It says to workers overseas, don't try to organize a union; the only way to compete for foreign investment is by accepting rock bottom wages.

That is the flaw in this trade legislation. It is a pretty good deal for an investor who wants to save labor costs, but it is a pretty rotten deal for an American worker or worker overseas. That is what is at issue. We are basically saying to working Americans: Don't even try to organize a union; do that and we will move your jobs overseas. That is what we are saying.

It says to the workers overseas: Don't try to organize a union; the only way to get the foreign investment is by accepting rock bottom wages.

It is great for the investors who want to save labor costs, but it is a rotten deal for an American worker and it is a rotten deal for a low-wage worker in another country.

I want to see a global trade policy that works for workers. I want to see a trade policy that lifts the living standards of workers. This is a developmental model that has failed time after time. This is the way of the past. It is time to say good riddance once and for all.

It is not as if we don't have any choice. The Feingold bill gives a clear alternative. It is called the HOPE for Africa Act. We need something similar for the Caribbean. I know my colleague from Florida is now working on trying to have some enforceable labor standards. That would make a huge difference.

We have a World Trade Organization meeting coming up in Seattle. I hear the discussion from the administration and others who want this trade legislation to pass. They think it is possible we could push for meaningful and enforceable labor and environmental standards.

What kind of message are we now conveying, with about a month to go before this critical WTO meeting, when we are talking about a bilateral trade agreement which does not have any enforceable labor and environmental standards? I ask the administration: Where are you going with this? What is your message to labor? What is your message to the environmental groups? What is your message to the human rights groups? What is your message to all the nongovernment organizations that are going to be out in Seattle?

As a Senator, I will be proud to join them. On the one hand, we have the rhetoric that says we think it is possible through WTO to have enforceable labor and environmental standards. That is implied in the rhetoric. At the same time, we have some trade bills that the administration is saying we have to pass; this is a No. 1 priority; we have to pass them before the WTO, which communicates the exact opposite message. They basically say we are not interested in enforceable labor standards; we are not interested in enforceable environmental standards.

And, by the way, the message for farmers and producers in my State: If we don't have an opportunity to offer amendments, we are also not interested in trade policy that gives them any kind of fair shake. Both Senator DORGAN and Senator CONRAD will be out here, as well.

I will say that 1,000 times over the next X number of hours: If we don't have the commitment to enforceable labor and environmental standards in our bilateral trade agreements, how can we credibly expect to include them in multilateral agreements?

I think this legislation in its present form sets a terrible precedent. I think it goes in exactly the opposite direction from the words I hear the administration speak. I think it goes in the exact opposite direction from the rhetoric of at least some of my colleagues.

I am interested in negotiations. Senator GRAHAM has talked about the United States-Caribbean trade agreement and is trying to work on enforceable labor standards. However, I don't now see it in any of these trade bills. From my point of view, I think we have to have some enforceable labor standards that give working people in these other countries the right to organize and bargain collectively.

If someone in the Senate says that my insistence as a Senator from Minnesota on some enforceable global labor standard is protectionist and that is the case, then we might as well say the Fair Labor Standards Act is also protectionist. That is the piece of legislation that relates to commerce in States in our country. We are saying we are going to apply this to all the States. Companies are not going to be able to have these atrocious child labor conditions. We will have protection dealing with child labor. Senator HARKIN will probably be here with an amendment dealing with that. We will make sure people have a right to organize and bargain collectively.

If we live in a global instead of a national economy—haven't I heard all Members say that—then we need the same kind of rules on the global level that we have on the national level for exactly the same kinds of reasons.

I will come back later this afternoon to critique the legislation. I am preparing amendments to introduce.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the very distinguished Senator from Minnesota, Mr. WELLSTONE, for his graciousness in yielding the floor. I realize this is somewhat inconvenient for him, but I deeply appreciate his kindness in yielding at this time.

IN HONOR OF SENATOR JOHN CHAFEE

Mr. BYRD. Mr. President, the Senate today is a sadder, lesser place. Like many others, I am shocked and saddened by the sudden loss of Senator John Chafee. My thoughts, and my wife Erma's, go out to his family—to his wife, Virginia; his sons, Zechariah; Lincoln; John, Jr.; and Quentin; and his daughter, Georgia.

I understand the funeral will take place this coming Saturday in Providence. Senator John Chafee is the eighth Senator from Rhode Island to die in office, the second in this century, since Senator LeBaron B. Colt on August 18, 1924.

Since his first election to the Senate in 1976, Senator Chafee was the kind of Senator upon which the smooth running of the Congress has always depended. He was a man of great humor, gentleness, thoughtfulness, and compromise—none of which detracted from his clear views and opinions as to what the best course of action was for the nation. He could disagree with his colleagues and still find a way to move forward on issues that were important to him.

This was a man devoted to the wellbeing of his country, in war and in peace. As others have stated, Senator Chafee served in World War II and in Korea. He also served as Secretary of the Navy. He served in the state legislature and as Governor of Rhode Island before his election to the Senate. He is a man who heard the clear call of duty and of love for his country and its people like a church bell ringing over the gentle hills of his beloved Rhode Island. His acts of faith came daily in his service to that calling bell.

His golden locks time hath to silver turn'd;
O time too swift, O swiftness never ceasing!
His youth 'gainst time and age hath ever spurn'd
But spurn'd in vain; youth waneth by increasing:
Beauty, strength, youth, are flowers but fading seen;
Duty, faith, love, are roots, and ever green.

So wrote poet George Peele in the 16th century. But surely John Chafee's sense of duty and his faithful service to the nation will prove equally evergreen, living beyond his untimely demise in laws and legislation that bear his stamp of compromise and caring for even our smallest and most helpless citizens.

We live in deeds, not years; in thoughts, not breaths;
In feelings, not in figures on a dial.
We should count time by heart-throbs. He most lives
Who thinks most—feels the most—acts the best.

Senator Chafee was consistent in his feelings, in his outlook, and in his actions. He always looked out for children in the health care debates that have consumed the Senate. His love of nature and his championing of environmental causes is well known, but tempered by his sense of fairness and practicality. He supported the Clean Air Act and the Rio treaties on global climate change and biodiversity, but he also supported requiring cost-benefit analyses of Environmental Protection Agency regulations and voted in support of the Byrd-Hagel Resolution requiring developing nation participation and a cost-benefit analysis of the Kyoto Protocol on global warming before the Senate would consider that treaty. Senator Chafee was a principled man. He was true to his bedrock beliefs, but he was not so idealistic that he would sacrifice success for unyielding principle. In doing so, he advanced his causes most effectively.

For a man as battle-tested as his history suggests, Senator Chafee was known for his civility and his ability to seek a gentler, more civil path in the often strife-torn and partisan Senate. I have not served on any committees with Senator Chafee, but I was well aware of his ability to work with colleagues from both sides of the aisle to ensure the success of his legislative agenda. This talent ensured that he would be sorely missed upon his retirement from the Senate next year. Upon announcing his retirement plans last March, he made it clear that he was not "going away mad or disillusioned or upset with the Senate. I think it's a great place," he said. I think it was a greater place for his presence. It is merely unlucky chance that he is gone before we could all savor our last months in his company.

Now, we must instead hold close our best last memories of this kind and gentle man, crusty New Englander that he was. We must measure the legacy that he leaves in legislation and in the fine example that he set with his life. Only thus can we, in the poet William Wordsworth's words, aspire to "Intimations of Immortality:"

Though nothing can bring back the hour
Of splendor in the grass, of glory in the flower;
We will grieve not, rather find
Strength in what remains behind;
In the primal sympathy
Which having been must ever be;
In the soothing thoughts that spring
Out of human suffering;
In the faith that looks through death,
In years that bring the philosophic mind.

Senator John Chafee leaves behind a rich legacy that honors his name, his State, and the United States Senate.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, this sad and somber day, we recall our wonderful friend John Chafee and begin to appreciate how much he will be missed. We extend our love and respect to his family. I suspect John would like us to move forward with the business of the Senate. As Senator BYRD has just said, he was a crusty New Englander, and I believe John would be very happy with that description. One of the many admirable traits of crusty New Englanders is that they like to get down to business.

AFRICAN GROWTH AND OPPORTUNITY ACT—MOTION TO PROCEED—Continued

Mr. GRAHAM. Mr. President, one of the last conversations I had with John

Chafee just a few days ago was about the legislation we are now considering. John Chafee, as in all things, was a commonsense pragmatist. I do not know how he would have voted on these measures, but I think he would have been appealed to by the practical rationale for the United States moving forward in the way this legislation directs us.

This legislation, which was a product of the Committee on Finance, on which Senator Chafee served with such distinction, a committee in which he had voted for this legislation as a member of the committee during the time it was being considered there, I believe embodies many of the principles for which John Chafee stood. I want to particularly talk about one component of this legislation, and that is the United States-Caribbean Basin Trade Enhancement Act component.

Since the passage of the North American Free Trade Agreement, our Caribbean and Central American neighbors have been at a competitive disadvantage. There is now a benefit of in the range of 5 percent to 10 percent, having the identical production factories located in Mexico as opposed to in Central America or Caribbean nations which are members of the Caribbean Basin Initiative. It has been stated we should have dealt with this issue when the North American Free Trade Agreement was first adopted. Unfortunately, we did not. Today, we have the opportunity to begin the consideration of the restoration of parity and balance within our region.

I thank Senator Lott for his support in bringing this important legislation to the floor. I also thank Senator ROTH and Senator MOYNIHAN for the leadership which they have provided through the consideration of this legislation in the Senate Finance Committee.

Over the last 5 years, I have worked to enhance and build upon our existing trade relationship with our neighbors in the Caribbean Basin region. On February 3 of this year, in response to the overwhelming devastation and destruction caused first by Hurricane Georges and then by Hurricane Mitch, I introduced the Central American and Caribbean Relief Act. This bill represented a broad and comprehensive strategy to provide immediate disaster relief, economic and infrastructure recovery, and long-term trade enhancement that would benefit both the United States and the countries in the region.

On March 23, 1999, we passed legislation that provided immediate disaster relief to the countries in the region that were impacted by Hurricanes Georges and Mitch. This legislation included $41 million of debt relief. We wiped out all of the bilateral debt of these countries to the United States and contributed to a Central American relief fund which will be beneficial in terms of reducing other forms of indebtedness of those countries that were so ravaged by the hurricanes.

I am pleased that now we are considering a bill that includes many of the long-term trade enhancement provisions that were part of the Central American and Caribbean Relief Act. Enacting this legislation is critical to the continued economic growth and health of our Nation and the economic health of our closest neighbors in the Caribbean and Latin America. It is also in the national security interest of the United States of America.

Let me review what are some of the compelling reasons for the adoption of this legislation.

First, humanitarian. I have made three trips to Central America and the Caribbean since the devastation of Hurricane Georges and Hurricane Mitch. As a Floridian, I have had some exposure to the destruction that hurricanes can inflict upon a community. I can say I have seen nothing the likes of which I saw in Honduras after Hurricane Mitch. I know that many of my colleagues have also seen the destruction caused by these hurricanes. These two destructive storms caused a level of death and devastation not seen in the Western Hemisphere in over 200 years.

We have all heard of the tremendous loss of life, the economic disruption, the human suffering caused by these hurricanes. As a neighbor, a friend, and a great Nation, the United States has both a history and a current obligation of response with assistance to those in need, especially those nations and those peoples who are our closest neighbors. Providing enhanced trade benefits will be a significant part of that humanitarian response. It will allow nations that had major parts of their economies, particularly agricultural economies, devastated by these hurricanes to begin to rebuild on a more diversified and stable economic basis.

A second reason to pass this legislation is economic. Caribbean Basin enhancements are in the best economic interest of the United States. Experience shows us that providing trade benefits to the Caribbean Basin is good business for the United States. Following the enactment of the Caribbean Basin Initiative in 1983, our trade position with the region has improved from a trade deficit of $3 billion with the Caribbean Basin, which we suffered in 1983, to today approaching a $3.5 billion trade surplus. These are not only good neighbors, but they are good trading partners. They are trading partners who, on a per capita basis, have consistently outpaced all other regions of the world in terms of the U.S. trade surplus.

Between 1983 and 1998, U.S. exports to the region increased fourfold, while total imports into the U.S. region grew by less than 20 percent. In fact, since 1995, U.S. exports to the CBI countries have increased by approximately 32 percent. There are over 58 million consumers in the 24 countries represented by the CBI region. Seventy percent of their nonpetroleum imports come from the United States.

Let me repeat that: 58 million consumers in 24 countries close to the United States; 70 percent of their nonpetroleum imports come from the United States. Yet there is another reason to strengthen the Caribbean economies, and that is the importance of the stability of our closest neighbors.

When the CBI bill was adopted in 1983, the Caribbean Basin, particularly Central America, was in flames with violent conflicts and rampant drug trafficking. The primary goal of the initial CBI legislation was to stabilize the region by building stronger, more diverse economies. These economies were seen as a critical element in supporting democratic governments.

Our national security and our continued interest in reducing the level of flow of illegal drugs and illegal immigrants into the United States was also at stake in the stability of the region.

According to the Department of State's Bureau of International Narcotics and Law Enforcement Affairs, increased law enforcement efforts along the Southwest border of the United States have again encouraged drug traffickers to reactivate their old, well-established smuggling routes in the Caribbean and Central America. Recent cocaine seizures in the regions bear this out. In 1998, authorities in the Dominican Republic seized 2.4 metric tons of cocaine. During the same period, Guatemalan authorities seized 9.2 metric tons of cocaine, and Panamanian authorities seized 11.8 metric tons of cocaine. Cocaine seizures in the Bahamas during 1998 totaled 3.7 metric tons, the highest level in that country since 1992, while at the same time an estimated 54 metric tons of cocaine flowed through Haiti.

Experience tells us the vast majority of this cocaine was destined for the United States of America. Without assistance to restart the regional economy, without assistance to make it possible for people to provide for their families, the nations in this region will be even more susceptible to the scourge of drug trafficking. The people of this region must have opportunities in the legal economy so they may feed their families and resist the financial temptations associated with drug trafficking.

Failing to enact CBI enhancements will increase the pressure for illegal immigration into the United States. The people of the CBI region must have the real opportunity at home so they are not forced to turn to illegal immigration to find employment and feed their families.

The painful lessons of the 1980s need not be repeated as we move into the new century. We can act—we must act—to prevent it.

Today, I want to focus on yet another reason why passing the Caribbean Basin Initiative enhancement legislation is so critical. The reason can best be demonstrated by looking at these two shirts. This golf shirt is made in

China. It is made from fabric that was grown by Chinese farmers, woven in Chinese textile mills. This shirt costs approximately $4.75 to produce. This shirt was made by a Caribbean Basin country, similar plant. It was made with fabric that was grown on U.S. farms, and it was spun in U.S. textile mills. This shirt costs approximately $5 to produce. Both of these shirts were imported into the United States for sale at U.S. retail stores. There is no significant difference between these shirts, save the location, China and Nicaragua, where they were manufactured, and where the components were grown and spun into textile—China, the United States of America. Each of these shirts sells for approximately $19. That is the price the law of supply and demand has set upon these items.

Mr. President, I ask unanimous consent to be allowed to present these shirts before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. One might ask the question of basic economics. If the Chinese shirt is identical to the Nicaraguan shirt, if the Chinese cotton that is spun into this shirt is to the consumer essentially the same as the American cotton, which is spun into the Nicaraguan-assembled shirt, and yet the Chinese shirt costs 5 percent less to produce, sells for the same price, why is it there are any shirts being produced in Nicaragua or in the other Caribbean Basin countries?

Well, there are several reasons why there is a market for the more-expensive-to-produce CBI shirt. Transportation costs between the Caribbean Basin and the United States are less than the transportation costs between China and the United States. The proximity of the Caribbean Basin to the United States means that transit time for textile products manufactured in the CBI region and destined for sale in the United States is significantly less than transit time for Chinese products. This is a particularly important factor in the apparel industry with its rapid style changes. But neither of those are the most important reason.

The most significant reason why there is a market for the Caribbean-assembled shirt, the shirt which assembles U.S. cotton which is milled in U.S. textile mills, the most important is because there is a limitation on the number of these shirts which can be imported from China.

In 1999, the import quota for Chinese-manufactured shirts, such as the one I hold today, the exact number of these shirts which can be imported from China to the United States is 2,336,946 dozen per year. Imports of the shirt manufactured in Nicaragua, as well as other Caribbean Basin countries, where U.S.-grown and processed cotton is the basis of manufacture, are not subject to quota restrictions. The difference represented by these two shirts will become much more apparent in the year 2005, a watershed year for the textile and apparel industry in the United States and the Caribbean Basin.

Why is 2005 such a significant date on the calendar? The import quotas which are currently applicable to textile products of most Asian nations, originally imposed under the Multi-Fiber Arrangement, now the Agreement on Textiles and Clothing, will be phased out. There will no longer be, for most Asian nations, a quota limitation on the number of items such as this golf shirt which can be imported into the United States. At that time, textile production in the Caribbean Basin will be placed in a distinct and growing disadvantage due to its higher cost of production. Disinvestment in the region is a real potential, reducing the incentive to use any material from U.S. textile mills or cotton grown in the United States. We face the prospect in the year 2005, with the lifting of the quotas, that the already 5-percent production cost advantage of Asian countries will expand, as they are able to spread their production cost over an unlimited number of apparel items to be imported into the United States.

The transportation and proximity advantages of the CBI country will not be able to sustain the raw economic advantage of the lower cost of production under current standards in Asia.

That is why passing CBI enhancement legislation now, in 1999, is critical to U.S. textile and yarn industries as well as to U.S. cotton growers. There are 64,000 U.S. textile workers who are dependent on this partnership of textile produced in the United States and assembled in the Caribbean for their jobs. Overall, 400,000 U.S. jobs are dependent upon textile exports to the CBI region. Last year, $4.5 billion worth of U.S. textile and apparel products were exported to the CBI region for assembly. Only by providing incentives for the development of stronger relationships with apparel manufacturers in our hemisphere will we have any chance of maintaining a market for U.S. cotton and textiles after the quotas are eliminated in 2005.

We must see this 5-year period as a period of challenge, a period in which we must increase the production competitiveness of U.S. textiles and Caribbean apparel. If we squander these 5 years, we face the very real prospect that we will be having a debate over nothing because, with the lifting of the quotas, there will be a strong incentive for this industry and the cotton farmers and the textile workers who support it to move from the Caribbean to Asia.

Developing strong relations with the countries in the Caribbean Basin, therefore, will not only promote political stability, will not only be in our humanitarian tradition, but will also be critical to the economic health of an important American industry.

An independent economic analysis funded by the Inter-American Development Bank and prepared by Professor Raul Hinojosa-Ojeda of the UCLA School of Public Policy and Social Research and Professor Robert K. McCleery of the Monterey Institute for International Studies makes just this point. The numbers are clear.

According to the American Apparel Manufacturers Association, without CBI enhancement, U.S. textile and agriculture will be adversely affected, and the U.S. economy will suffer. Currently, 50 percent of the apparel items consumed in the United States are manufactured with U.S. cotton. Industry estimates indicate that if we can increase the attractiveness of the Caribbean Basin as the place of assembly, that number will grow from 50 percent of U.S.-consumed apparel made with U.S. cotton to 70 percent. But if we fail to act, if we allow this partnership of U.S. textile and Caribbean assembly to wither, this number will drop to 30 percent. Without these enhancements, the U.S. cotton content will continue to decline, as apparel producers look to reduce costs and will move towards products made from cheaper labor and cheaper materials, primarily in Asia.

The impact of the Agreement on Textiles and Clothing and year 2005 changes on man-made fiber industries will be comparable to the cotton situation. Without CBI enhancements, the U.S. man-made fiber content of imported apparel will continue to significantly decline. Without CBI legislation and in the face of year 2005 quota reductions, producers of man-made fibers will be inclined to relocate their production facilities in order to take advantage of lower wages and production costs. If we begin to work to establish stronger relationships with the nations of the Caribbean Basin, we will be able to provide incentives to sustain these industries in our own hemisphere.

Inherent in our CBI enhancement efforts are public and private investment incentives that will increase productivity and the quality of life within the region. We anticipate the textile industry will provide investment capital targeted for the construction and maintenance of schools, health and child care facilities, and technology enhancements to increase the productivity of both workers and existing manufacturing facilities. A well trained and healthy workforce will be more productive and efficient as Caribbean Basin producers compete for shares of the international textile market.

We have an unprecedented opportunity to strengthen our economic and national security through the enhancement of our trade relationship with our neighbors in the region. We must act prior to 2005 to build a dynamic, formidable Western Hemisphere trade alliance that encourages U.S. industry to invest in the region and to make commitment to rebuilding the industrial infrastructure in the region.

We are about to make a fundamental decision that will impact our closest neighbors, a decision that will impact a significant part of the economy of the United States. We can choose to create a climate where the United States and our neighbors can be competitive into the 21st century or we can repeat the same turmoil of the 1980s. The choice is clear, it is stark, and I think it is beyond reasonable debate: Will we engage or will we retreat?

I urge you to extend this assistance to our neighbors to expand commerce and promote economic and political stability in the region. A primary beneficiary of that stability and expansion, a primary beneficiary of the new enhanced partnership between the United States and our neighbors in the Caribbean, will be the United States of America and its citizens.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN HONOR OF SENATOR JOHN CHAFEE

Mrs. HUTCHISON. Mr. President, I rise today to talk about a friend, an athlete, a scholar, a lawyer, a Governor, a Secretary of the Navy, a Senator, and a marine—not necessarily in that order.

The Senate and our country have lost a great man with the passing of John Chafee. He exemplified everything that is so good and decent and honorable about our country. A man born to privilege, he also recognized a duty and an obligation to serve his country. As a young freshman at Yale, he was moved to action by the Japanese attack on Pearl Harbor. He became a marine because he wanted to fight, and they promised him he would do just that in the Pacific.

So many of our World War II generation, called by Tom Brokaw ''our greatest generation,'' did exactly what John Chafee did. They left their ivy league campuses and their State universities, their jobs and their families, and they saw it as their duty to serve.

The Marines delivered on their promise; they gave John Chafee a chance to fight. Soon after his initial training, he found himself as a young private on the beach at one of America's bloodiest battles, at Guadalcanal. Several years ago, at a program at the Smithsonian, Senator Chafee joined a group of World War II veterans who discussed their memories of the war. John Chafee related that the lesson he carried with him was that there was no rhyme or reason to who lived and who died in combat. He said he learned that it didn't matter how good a marine you might be, the incoming artillery rounds and the enemy bullets did not discriminate among good and bad marines and that if one survived it was not though personal merit but by the grace of God. He came away from that experience with a commitment to live honorably and well because he recognized that every day was a gift and because he owed that to those who he left behind on those fields.

He went on to receive a commission as a lieutenant and the Marines continued to provide those opportunities to fight in other bloody battles in the Pacific theater including Okinawa.

When the war ended, he took off his uniform, returned home, and picked up where he left off. He graduated from Yale where he distinguished himself as a collegiate wrestler and captain of the Yale wrestling team. Although a supremely modest man, the one honor for which he was always very proud and willing to talk about was his induction several years ago into the Collegiate Wrestling Hall of Fame in Oklahoma.

After Yale, he went on to Harvard and graduated in a class filled with many other veterans with similar war records including Senator TED STEVENS. But soon after graduating from law school, John Chafee learned the Marines weren't done with him and their promise to give him a chance to fight.

In fact, John Chafee related this experience to me when we were driving together in a car to see the mustering out of one of my favorite aides, my legislative aide Dave Davis, whose wife happened to be John Chafee's personal assistant. We were going out together because this was a big day for Dave Davis. He was going to leave the Army and to come with me full time. I must say it was a great day for me. John Chafee said: You know, I left after World War II, and I thought I was finished. I didn't sign any papers saying I had left the service; I didn't think it was necessary. And all of a sudden, one day during the Korean war, I get a notice from the U.S. Marines saying you never left the marines, and we are going to send you to Korea. He said: My gosh, I was so surprised.

He was no longer an 18-year-old who was looking for a place to fight. He had a wife and child. He had just graduated from Harvard Law School with a bright future ahead. John Chafee said: I still have a commitment and I am going to keep it.

He said he had a responsibility to young marines to teach and tell them what he knew from his own combat experience because he knew that would be helpful. He answered the call without complaint and once again distinguished himself as a marine company commander in battle against the Chinese in North Korea in the mountains of Korea.

One of his young lieutenants in that company in Korea was the novelist and writer James Brady. Brady wrote a book about his experience in the Korea war entitled ''The Coldest War'' and John Chafee is the hero of that story. Brady writes.

> That's how it is in the Marine Corps. There are rules and a subtle understanding some of them are to be broken. Colonels broke rules, I suppose generals did, enlisted men broke them, I broke them whenever I could with circumspection, but Chafee never. Captain Chafee kept the rules. Not that he was prissy. It simply did not occur to Chafee to cut corners.

Brady also writes about not having a chance to tell John Chafee how much he meant to him in a way in which many of us in the Senate can identify with today.

> There was so much I wanted to say: what his confidence meant to me, how I admired him, how much he'd taught all of us. He was the only truly great man I'd met in my life, and all I had the time to do was say thanks. Maybe he understood.

We all know his incredible achievements after returning from battle. He continued to serve his native Rhode Island well as a three-term Governor and then Senator for 23 years. He also continued to serve his beloved Marine Corps as the Secretary of the Navy.

He kept faith with all those marines who paid the supreme sacrifice in the Pacific and in Korea by living a good life and representing them well. He was always Semper Fi to the Corps.

One story recalled by another member of the platoon years later at a gathering of Korean war veterans told of how John Chafee's Marine company was moving across snow-covered ground that was believed to be covered with landmines. No one in the company was eager to march through the area so Captain John Chafee, showing no fear, took point and led his men through the snow. When the marines reached the top of the hill, someone looked back and observed that the entire company had left only one set of tracks as each marine had carefully stepped exactly in Captain John Chafee's footprints.

This lieutenant observed nearly 50 years later that he and the others were still trying to follow in John Chafee's footsteps.

As did his marines so long ago, many of us are trying to follow in John Chafee's footsteps, setting a standard of decency, civility, and kindness, remembering how to disagree without rancor. This is something all of us in the Senate need to remember when we think of John Chafee. It is the lesson all of us could relearn as we are going into some very tough times in the Senate. He loved this institution. He loved what it meant. We have all been enriched and blessed by his presence.

I hope his legacy will be that all of us will be better for John Chafee having been here because he is known as one of the kindest, most civil, and absolutely great Members of this body by everyone who knew him. I have never heard anyone say John Chafee was not a superior person. Whether or not you agreed with him on the merits of an issue, you could never say he wasn't the best of us.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. VOINOVICH. Mr. President, I rise to pay tribute to John Chafee. Although I am a new Member of the Senate, I worked with John for many years as Governor of Ohio and as vice chairman and chairman of the National Governors' Association. I worked with him to reform Medicaid and welfare and to reform our laws to protect the environment.

I always found him to be a gentleman, a thoughtful man who listened and gave a fair hearing, whether it was in his office or before his committee. I also found him to be a man of profound principle with a deep and abiding sense of care for the less fortunate and the environment.

No environmental legislation emerged from this Congress without his imprint. I am sure he looked at the improving environment in this country as part of his public service legacy. In particular, I remember working closely with him on the effort to reform the Safe Drinking Water Act. I was one of the leads for the Governors of the State and local government coalition, and John, of course, was chairman of the Environment and Public Works Committee.

John was a visionary leader insisting on enhancing protection of public health and, for the first time, requiring the use of cost-benefit analysis and risk assessment in setting environmental standards.

When we in the State and local government community started out, we were told we wouldn't succeed; that the environmental community would never accept these far-reaching reforms.

However, due to John's hard work and credibility, we did succeed and the enactment of the bill was celebrated at The White House. The result was that the bill was viewed as a model for environmental reform by state and local elected officials and as an advancement in the protection of public health by the environmental community.

Since I arrived in the Senate earlier this year, I have been privileged to serve on John's Environment and Public Works Committee. We had many oars in the water, so to speak, bills that we were working on. I am saddened that I did not have more of an opportunity to work with John as a colleague here in the Senate, as so many others did, who have spoken so eloquently of their high regard and treasured friendship with him.

However, it has been a privilege to work with him and serve with him. I have learned from him and his example. There is no one who ran a better or fairer hearing than John. When John chaired a hearing, you could count that it would start on time. In fact, I tried to get there before him to let him know that first, I respected his chairmanship and, second, to take advantage of his ''early bird'' rule. For those of you who are unaware of the chairman's ''early bird rule,'' it was his way of specially recognizing those who made the effort to show up on time for his hearings. The ''early bird rule'' provided that he would recognize Senators in the order they arrived—regardless of seniority—although on occasion he did make exceptions if a ''late arrival'' had a special issue to bring before the committee.

John reminded me of my father-in-law—if you weren't 5 minutes early for a scheduled meeting, he would be standing there waiting for you while looking at his watch.

I have decided that in the future I will no longer refer to the ''early bird rule,'' but will begin a new tradition honoring the chairman by now referring to the ''Chafee rule.''

Others have spoken of John's military and civic service to his country with beautiful oratory, but I simply want to say that as a freshman he was my role model. John Chafee was an honest, hard working, decent, principled, and straight-forward man. I will miss him and the Senate will surely be the less for his loss.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

Mr. SMITH of New Hampshire. Mr. President, there have been a number of my colleagues who have spoken about a wonderful man and a good friend and colleague, Senator John Chafee. I will take a few moments to talk about John Chafee the friend, John Chafee the legislator, and the man who served as a role model for all in public service, regardless of the partisan affiliation, ideology, or views on any particular issues.

I happened to be in New Hampshire yesterday morning—ironically, discussing the possibilities of attending a function in New England honoring Senator Chafee—when I heard the tragic news of his passing. It was, indeed, a shock. I saw John in his wheelchair on the subway after the last vote on Friday. He was engaged in conversation with some constituents, visitors to the Capitol. I didn't interrupt him because I didn't want to interrupt that conversation. I wish I had. That would have been the last opportunity to say goodbye to him.

My thoughts and prayers are with his family, with Ginny and the children and the grandchildren, but also with Senator Chafee's very devoted staff, both on the Environment and Public Works Committee and in his personal office.

Others on the floor have reviewed Senator Chafee's record of achievements. It is an inspiring record. Others have dwelled on it extensively. It stands in stark contrast to what many Americans today think about politics, politicians, and political leaders.

I want to emphasize the qualities of public service and patriotism that motivated John Chafee. In the spirit of Jimmy Stewart, who believed that good leaders should occupy the offices here, John Chafee was in that tradition. As a young man of 20, John left college to enlist in the Marine Corps after the attack on Pearl Harbor. He fought at Guadalcanal, and after that he resumed his studies. After the war, he earned an undergraduate degree from Yale and a law degree from Harvard. He again served his country in the Korean conflict where he commanded Dog Company, a 200-man rifle unit in the first marine division. That is not easy duty.

After serving his country with honor in the military, he embarked on what would be another honorable career for John Chafee; 6 years in the Rhode Island House of Representatives, including the rise to the post of minority leader. He ran for the Governor of Rhode Island and was elected by a 398-vote margin in 1962. His constituents recognized John Chafee's leadership, integrity, and intelligence by rewarding him with two more terms as Governor—in both cases by the largest margins in the State's history.

In 1969, President Richard Nixon appointed John Chafee as Secretary of the Navy where he served with and was succeeded by our mutual friend, JOHN WARNER. John Chafee was elected to the Senate in the bicentennial year of 1976 as the first Republican to be elected Senator from Rhode Island in 46 years. His work as a Senator was rewarded with reelection in 1982, 1988, 1994, and he would have been reelected again in 2000 had that been in the cards.

He was looking forward to spending more time with Ginny and the grandchildren. I think that is the greatest tragedy of all, that they will miss a wonderful husband and a wonderful father and grandfather.

I first got to know John Chafee when I was elected to the Senate in 1990. I served on the Environment and Public Works Committee where he was a ranking member and then chairman. We worked together on all of the environmental bills that come down the pike: Clean Air Act, Clean Water Act, the Safe Drinking Water Act and, most importantly, on Superfund, where we shared the frustrations of working and fighting the good fight, where we had differences on the other side of the aisle. But John was a patient legislator in spite of the frustrations, in spite of the times he could have been angry—politically angry—at those on the other side of the aisle. He never was. One couldn't get him to say one cross word about anybody on that committee no matter what. He wouldn't do it.

I was taking the subway and saw John talking to a person, perhaps posing for a picture. And sometimes the people were not sure who he was. One time a person asked: Do you know which Senator that was, sir? And I said: I do. That is Senator John Chafee. They said: What do you know about him? I said: He is the nicest man in the Senate, and don't forget it.

He was. He looked after his colleagues.

In 1996, when I ran for reelection, there were attacks on my environmental record that were not justified.

He came to my aid in New Hampshire and spent a day up there with me deflecting those attacks. Although he was criticized for doing it, he did it anyway. He was glad to do it. I will never forget it.

Both New Englanders, Chafee and SMITH, both veterans, both committed to protecting the environment, John a far greater leader than I in that regard, we did have a lot in common. We disagreed on issues, as well. If there was anyone who ever lived who perfected the art of disagreeing without being disagreeable, it was John Chafee. Many times I marveled at his ability to participate in a heated debate, in close quarters, sometimes without losing his composure and his good humor. One of the qualities I will always remember about John was his demeanor and good humor.

When I first came to the Senate—and Senator WARNER referred to this yesterday—one of his favorite expressions was, ''Oh, dear.'' Senator WARNER spoke eloquently about it yesterday. I had a personal experience with ''Oh, dear'' when I first came to the Senate in 1990 and we reorganized the Senate. I didn't know people that well. I was getting pressure from some Senators on one quarter to vote for one person for leadership and others were suggesting I vote for Senator Chafee. As I went into the last moments before the vote in the Republican conference, I still had not made up my mind.

Finally I decided. My decision was to vote against Senator Chafee. So I said: I have to tell him this. My conscience would bother me too much if I didn't walk up and tell him before the vote because it was a secret ballot. I walked up and I said: John, I just want to let you know I decided to vote for the other guy, and he just said, ''Oh, dear.'' And he lost by one vote.

It really was the beginning of a long friendship which I will always cherish. There will be a lot of tributes to Senator Chafee over the next several months. None of them will do justice to the memory of his legacy. I would like to propose one myself today, as one small way to deal with that legacy. As we all know, throughout his career John fought for the protection of our natural resources. One initiative many Americans may not appreciate that was sponsored by Senator Chafee in 1982 was the Coastal Barrier Resources Act. I know enacting that into law was one of the proudest moments of Senator Chafee's tenure here.

For the benefit of my colleagues who are not familiar with this act, its primarily purpose is to restrict Federal expenditures and financial assistance that encouraged the development of undeveloped coastal barriers. Development in ecologically critical coastal barriers along the Atlantic and Gulf coasts not only damaged fish and other natural resources but often resulted in the loss of human life as well.

The act permitted Federal expenditures for energy resource development, military activities, channel improvements, conservation activities, emergencies, navigation aids, and scientific research projects. It permitted, but did not require, interested private landowners to enter the system on a voluntary basis. The Coastal Barrier Resources System comprises approximately 3 million acres and 2,500 shoreline miles.

This act was vintage Chafee. It was balanced. It was fiscally prudent. It was environmentally protective. I can think of no more fitting tribute to Senator John Chafee than to name the system created by that legislation the John H. Chafee Coastal Barrier Resources System. I intend to introduce legislation to that effect and look forward to its quick passage with the support of my colleagues.

In closing, I say to Ginny and to the children and grandchildren, our thoughts and prayers are with you. All of us are proud to have called your husband, your father, and your grandfather, a friend. He was a decent, wonderful man. I am proud to call him a friend.

I would like to close reading Psalm 15, which the Chafee staff read in an effort to comfort one another about their leader. The Psalm is as follows:

Lord, who may dwell in your tabernacle? who may abide upon your holy hill?

Whoever leads a blameless life and does what is right, who speaks the truth from his heart.

There is no guile upon his tongue; he does no evil to his friend; he does not heap contempt upon his neighbor.

In his sight the wicked is rejected, but he honors those who fear the Lord.

He has sworn to do no wrong and does not take back his word.

He does not give his money in hope of gain, nor does he take a bribe against the innocent.

Whoever does these things shall never be overthrown.

It is a wonderful tribute from the Chafee staff to their friend and their boss. I don't think it could be said any better than that.

We will miss you, John, but we are a lot richer because you were here with us.

Mr. BAUCUS. Will the Senator yield? I want to tell the Senator what a gracious suggestion he has made, naming the Coastal Barrier Resources System after Senator John Chafee. I cannot think of a more fitting tribute with respect to legislation with which he has been associated. I hope, therefore, we can bring that bill out quickly—I do not think it is controversial at all—and pass it in this session of this Congress. I thank the Senator. I express my appreciation to the Senator for such a gracious thought, and I will join with him, moving as quickly as we can to make that become law with John's name on it.

All of us are at a loss to find the words. We dig down deep to try to ascertain the meaning of John's death. It was so sudden. It happened so quickly, and to such a wonderful, decent, good man. I think basically all of us are going to be remembered to some degree by who we are as people, more than what legislation we passed. We all work together here to pass legislation, but it is really the character of the person that is remembered by family, friends, associates.

I can think of no person for whom I presently do have a fonder memory or more respect than John Chafee. There is no man who was more of a good man than John Chafee. His decency, his civility—they do not come any better. They just don't. We are all thinking about John. Words don't come to us—certainly not to this Senator at this moment—but we all know what a good man he was. We cherish those memories very deeply.

He was a great Senator.

Mr. HOLLINGS. Mr. President, I rise today to remember our friend John Chafee. The state of Rhode Island and the United States have lost a great man—a valiant soldier, a dedicated statesman and a gentleman of a breed we don't see enough of these days.

I always felt an affinity with John because our political careers followed similar paths. Like me, he returned from military service overseas and soon began his political career in his home state of Rhode Island, eventually serving as Governor and then as a United States Senator.

The courage and integrity that earned John accolades in the Marine Corps marked his tenure in the Senate, where he stood up for issues he believed in, no matter the opposition, and worked to break gridlock between Democrats and Republicans and forge partnerships amid partisanship. He knew when to be a leader in his party and when to be a loner, and most people respected him dearly for it. A former Secretary of the Navy, he steered his own course.

Environmentalists will remember John Chafee as their chief Republican ally, a man whose vision led to the crafting of numerous pieces of key legislation, including the 1988 law against ocean dumping, the 1989 oil spill law and most notably the Clean Air Act of 1990. More recently, he led successful efforts to enact oil spill prevention and response legislation and a bill to strengthen the Safe Drinking Water Act. His years of commitment to the protection of the nation's wetlands and barrier islands are also tributes to his environmental legacy.

John had many visions, one of which was providing all Americans with comprehensive health care. His hard work in drafting a Republican health care package and pushing for a bipartisan compromise will not be forgotten. Neither will his efforts to expand health care coverage for women and children, improve community services for persons with disabilities and reduce the federal budget deficit.

Democrats and Republicans alike in John's home state of Rhode Island knew they had a friend in their Senator. He fought for local issues with the same vigor as national ones. When he announced this March that he would not seek a fifth Senate term in 2000, he became emotional as he explained, "I want to go home." In many ways I think John has gone home, in that he took his deep love of Rhode Island and its residents with him as he left this earth on Sunday.

As a Marine, John Chafee followed the motto "Semper Fi," or "always faithful." He carried that motto with him throughout his life. He was always faithful to his state, his country and his family. I will miss him and his statesmanship on the Senate floor.

Mr. ENZI. Mr. President, even now that we've had a moment to pause and reflect, it's hard to believe just how quickly John Chafee was taken from us. His passing, without any warning, caught us all unawares, and it leaves a hole in our lives and our work that will not be easily filled.

Like so many of my colleagues, I will always recall John's friendly, courteous personality—the way he listened carefully to what you had to say and explained any differences he had in position or philosophy. His interest in a vast variety of subjects and the knowledge and insight that he shared on them made him both a friend and a teacher to his colleagues in the Senate.

I remember my first year in the United States Senate. I was working hard on an issue I really wanted to make some progress on. In an effort to encourage people to clean up environmental hazards, some States had provided a way where businesses could search for problems, identify them, begin to correct them, and then have reduced or no fines depending on the severity of the situation. The language of this regulation varied from State to State. Then the Environmental Protection Agency started coming into the States following these environmental audits and fining people. They were also threatening to take away the State's ability to continue to allow these audits.

I drafted a bill to make the environmental audits federally accepted. I wasn't on the right committee for this legislation and I hadn't had an opportunity to get my bill taken up for consideration when the appropriations process came around. So, I submitted my bill as an amendment. Senator Chafee had me meet with him. He explained the appropriations process, and then explained the complexities of taking up my bill as an amendment. He said if I would withdraw my amendment he would hold a hearing in his committee. I withdrew my amendment certain there would be no further action taken on it that session.

Shortly after my visit with Senator Chafee, and without any additional urging on my part, he had set a date for a hearing on environmental audits. During the hearing, Senator Chafee's indepth questions helped to bring focus and perspective to the issue at hand. When the hearing was gaveled to a close, everyone had a better understanding of the problem and what we needed to do to correct it.

A few months later, Kyoto, Japan became the site for the Global Climate Change Conference. Senator Chafee and I and several others went to Kyoto to reaffirm our position and deliver the message included in the Senate resolution dealing with global climate change. While we were there I attended several meetings with him. I also spent some time outside of the meetings with him. It was a good opportunity to break bread with him and get to know this very fine man a little better.

I recall our first night to Kyoto. Several members of the delegation checked on places to eat and they had selected a restaurant. Senator Chafee checked to see how expensive the restaurant was. He thought that was too much money to spend on any dinner. So, he had his dinner in the hotel lobby. I joined him and appreciated very much the evening of discussion that we had on Japan, global climate change, and a variety of environmental issues. Eating our dinner and sharing our views gave me a little more insight into the character of this phenomenal man who sat next to me.

John had a remarkable ability to bring people together—and keep them together. He also had a gift for putting into words that one, deep, probing question that got right to the heart of the matter. And, in these days when it is sometime more popular to cling to what is politically correct than what is right—John never wavered in his beliefs and he never compromised his principles. He always stood tall and proud for what he believed in. That's why he was always so deeply respected by this colleagues and his constituents.

Something tells me that God must have had a special need for someone with John's unique skills, so He called him home. I wouldn't be surprised if right now, John is chairing a meeting with God's angels in heaven to help get them more organized and focused, too. That would be just like him.

In the years to come, I think what I will miss most about John will be his warmth, his laugh, his voice, and his walk before and after the cane. John was both a gentleman and a gentle man and his remarkable persona will be greatly missed. For the moment we will each cling to the instant replay memories we have of him to help to fill the void his passing leaves behind.

John, your service in the Senate leaves us all with a good example for us to follow in the way you always gave totally of yourself to your family, to your state, to each of us, to your country and to the world around us. Thanks for all the ways you've served us all. Thanks for all the things you've done. So much of your State, our country, and parts all around this great world of ours bear your mark for your having passed by. Thanks for the seeds that you planted that will effect the future. Because of them, you will never be forgotten.

Mr. INOUYE. Mr. President, I rise to make a few remarks concerning the recent passing of Mr. Chafee.

Mr. Chafee was one of a kind. His life was a life of service. He served in two great wars—World War II and the Korean conflict, rising from private to captain. He served Rhode Island as a member of the Rhode Island House of Representatives and as Governor, then as its United States Senator.

He has left a most positive legacy for the citizens of this land to emulate. But his greatest legacy was a legacy of decency. It mattered very little to Mr. Chafee whether a proposal was made by the Democrats or the Republicans. His only question was: Is this program or project in the best interest of this nation?

Our nation has lost a great leader and a most dedicated public servant. The State of Rhode Island has lost its most brilliant star. But for many, many of us—we have lost a friend. I will miss him.

Mr. KENNEDY. Mr. President, we are all deeply saddened by the sudden loss of our colleague and friend, John Chafee. He was a very special Member of the Senate who embodied the noblest traditions of this institution. He would fight with great vigor and passion for the principles he believed in, trying to persuade colleagues to adopt his point of view. But his devotion to a cause never made him intransigent or unwilling to consider competing ideas.

John Chafee had a unique ability to build consensus, and he was forever searching to find common ground across partisan and ideological battlelines. He was a student of history, and he knew that principled compromise was essential if the legislative process is to serve the public interest. He understood that a Congress mired in gridlock could not solve the Nation's problems.

He cared far too deeply about the country he served to accept political stalemate. Because of his deep commitment to these abiding principles, he held the trust and respect of colleagues across the political spectrum, and he was often able to find that common ground when others could not.

John Chafee's 23 years in the Senate have truly made a difference. The American people enjoy cleaner air and cleaner water because of his tireless and skillful efforts to protect the environment. Foster children are treated more humanely because he assumed the role of their legislative guardian. Poor families who must depend on Medicaid have more secure access to health care because of his concern for their well-being.

While John Chafee was a skilled consensus builder, he was never reluctant to speak out on controversial issues. His gentle and gracious manner was accompanied by a very strong will. His political courage was evident on a broad range of issues—from his outspoken advocacy of banning the manufacture and sale of handguns, to his vigorous defense of abortion rights, to his steadfast support for nuclear weapons control. He was a man of principle, whose strength was evident to all who knew him. I will always remember his extraordinary efforts in 1993 and 1994 to enact health insurance coverage for all Americans. Through that battle, John Chafee never gave up and never gave in. He showed great perseverance under exceptional pressure, and great commitment to a cause he believed in deeply.

His ideals and patriotism was shaped as a young soldier in combat on Guadalcanal and Okinawa during World War II and in the Korean conflict. Tom Brokaw has called John Chafee's generation ''The Greatest Generation.'' In his well-known book by that name, Mr. Brokaw wrote:

> They came of age during the Great Depression and the Second World War and went on to build modern America—men and women whose everyday lives of duty, honor, achievement, and courage gave us the world we have today.

John Chafee symbolizes those eloquent words. As a state legislator, as Governor of Rhode Island, as Secretary of the Navy, and as a four-term United States Senator, John Chafee devoted his entire adult life to public service. He gave our nation not only length of service, but service of the highest caliber. He believed in the capacity of government to improve the lives of its citizens, and he worked every day to make it so. His distinguished service will leave a lasting legacy.

We all feel his loss today. But it will be felt even more deeply by the Senate as time passes. We will miss his wise counsel, we will miss his political courage, and we will miss his extraordinary ability to build bridges across partisan and ideological divides.

I extend my deepest sympathy to John's wife, Virginia, and to his children and grandchildren. Our Senate family truly shares your loss.

Mr. HARKIN. Mr. President, our friend and colleague John Chafee was a good man, a first among equals. He was a statesman and a public servant. He dedicated his professional life to the service of his country. He was a good friend to colleagues on both sides of the aisle.

John Chafee was respected by all who knew and served with him. And he returned that respect in kind. He was a bridge builder, always looking for a way to craft consensus.

He set aside partisanship and put his energies into working for the greater good. And he won high praise from a wide spectrum of admirers, from the ACLU to the Chamber of Commerce!

John had an early and lifelong sense of duty to his country. He left college in 1942 to join the Marine Corps. He fought in the U.S. invasion of Guadalcanal and later on Okinawa. He returned to active military duty in 1951 in Korea. Between his tours of duty, John earned his bachelor's degree at Yale and his law degree at Harvard.

He built a career of distinguished service to his state and his nation. He served in the Rhode Island House of Representatives (1957–63), as Governor of Rhode Island (1963–69), as Secretary of the Navy (1969–72). And in 1977, John Chafee came to the United States Senate, the first Republican Senator elected in his state in 46 years.

No matter where public service took him, his heart was always in Rhode Island. And it was to Rhode Island that he planned to retire next year.

John Chafee wore many titles in his lifetime, and he wore them all with distinction: Captain, Governor, Secretary, Senator.

But I believe that John was proudest of being a husband, father, and grandfather. He was devoted to his family—to Virginia, their five children, and twelve grandchildren. Their loss is tremendous, and I hope in the days and weeks ahead they take some small comfort in John's magnificent legacy.

When the major achievements of the 20th Century are recounted, many of them will bear the mark of John Chafee: the Clean Air Act, the Superfund, Social Security, fair housing, civil rights.

He played a major role in every major piece of environmental legislation that has passed during the past two decades. He fought for health care coverage for low income families and expanded coverage for uninsured children.

He fought for the Family and Medical Leave Act. John made it his mission to ensure that no American fell between the cracks. And America's women, children, and families are the beneficiaries.

John Chafee and I worked together long and hard to protect kids from tobacco addiction. In 1998, we introduced the first comprehensive bipartisan tobacco prevention bill—the Kids Deserve Freedom from Tobacco Act.

Our bill—also known as the KIDS Act—was designed to cut tobacco use by kids in half over a three-year period. John took some risks in joining this bipartisan effort, but he did it because he was a passionate advocate for children.

I also had the privilege of working with John on disability issues. He was a major champion for creating alternatives to institutions for people with disabilities.

Senator Chafee's work to create the Medicaid home and community-based waivers opened the doors to independent living for tens of thousands of people with disabilities. His efforts in this area alone are too numerous to recount.

In addition, he worked in true bipartisan manner to promote maternal and child health programs and to protect thousands of children with disabilities from losing SSI.

John Chafee's commitment to fighting for what he believed in was matched by the dedication of his longtime, loyal staff. Our hearts go out to all of them.

Mr. President, John Chafee was a humble giant. He had a broad, inclusive vision. He was principled and thoughtful. He asked and gave the best of himself in everything he did. He didn't seek recognition. He just rolled up his sleeves and got to work. His spirit and his voice will be sorely missed. I am privileged to call him my friend.

Mr. GRAMS. Mr. President, I rise today to join my colleagues in mourning the untimely death of our friend, John Chafee. Today, we celebrate the enthusiastic spirit he brought with him each day to the Senate, and the generous public spirit exemplified by his work.

With John's passing, the State of Rhode Island has lost a leader, the Senate has lost a statesman, and the Chafee family has lost a loving, dedicated husband, father, and grandfather. As the Senate family, the prayers of John's colleagues and our staffs are with Ginny and her entire family.

Many of my colleagues have recited the accomplishments of John Chafee. They bear repeating, however.

Before his achievements as a legislator, John was a leader in the Marines. He served in the original invasion at Guadalcanal, and when he was recalled to active duty in 1951, he commanded a rifle company in Korea.

John then turned his service to the State of Rhode Island, first as a member of its House of Representatives, where he eventually attained the rank of Minority Leader. In 1962, John ran for Governor and won—though it was a very close race. He increased that margin of victory significantly in the following two elections, in 1964 and 1966, when he was reelected with the largest margin in the State's history.

Following his governorship, John Chafee went on to serve as Secretary of the Navy for three and a half years.

Beginning in 1976, John began his long career in the U.S. Senate. As the only Republican elected from Rhode Island in the past 68 years, John vigorously pursued the interests of his constituents, including environmental issues, health care concerns, and efforts to reduce the Federal budget deficit. Through his position on the Senate Finance Committee, and mine on the Foreign Relations Committee, we worked closely together on a number of fronts to support free trade and oppose unilateral sanctions. I recall at one point we were two of five Senators who opposed a resolution we both thought was harmful to our relationships with another country.

John Chafee's contributions to this Senate, however, go much deeper than just those outlined within the pages of his impressive biography.

I remember when I moved from the House to the Senate, and those early, confusing days working out of the cramped Dirksen basement. John Chafee was moving his office at the same time, and he invited me up to look his over. He made this new Senator feel welcome in a place where bonds between the ''old-timers'' are strong and newcomers can sometimes feel intimidated. Ultimately, I didn't take John Chafee's office, but I gladly accepted his friendship. When I last spoke to John, during a short conversation in this Chamber late last week, he talked about his son, Lincoln, and the possibility that son would replace father in the Senate. I think he took great pride in the thought of his family carrying on his tradition of public service.

I was moved by the words of John Chafee's staff in a statement they collectively issued on Monday. It said, in part: ''His sense of public spirit was infectious, and we have all learned a great deal from him. But more important than any lesson in civics is the example he set for all of us about how to conduct our lives: listen to both sides; do what's right; always look for the good in people; and, even if you don't prevail, be of good cheer.''

Mr. President, John was a tireless advocate for his constituents, a man who sought agreement in the often-acrimonious atmosphere of Washington, a man who brought meaning to the idea of giving one's word and standing by one's principles. And he was consistently of good cheer. I was proud to serve with him, and proud to consider him a friend.

Ms. MIKULSKI. Mr. President, I rise today to celebrate the life and legacy of a dear friend and colleague, Senator John Chafee.

I was deeply saddened yesterday to hear of Senator Chafee's passing. The Chafee family lost a dear husband, father and grandfather. My thoughts and prayers go out to Virginia, his children, and his grandchildren. The Senate lost one of our most principled and reasoned colleagues. Senator Chafee will be greatly missed here. The people of Rhode Island, whose needs and concerns guided his actions on a daily basis, lost an admired Senator. His impact will be felt in Rhode Island for generations to come. Our country lost a tireless leader who consistently fought for what he believed in, and for that, I am deeply saddened.

Senator Chafee was the kind of Senator that this country needs. In times of increasing partisanship, John Chafee always reached across the aisle to form alliances, to build compromises, to get things done. He let principles, not politics, be his guide. And that enabled him to be an unbending bridge between both sides that we have so desperately needed.

Senator Chafee's politics was the kind of politics this country needs. He inspired voters on both sides of the party line with his honest, independent politics. Senator Chafee always believed that persistent honesty and unshakeable integrity were the cornerstones of public life. His was always the quiet voice of reason.

And Senator Chafee was the kind of person this country needs. John Chafee devoted his life to public service—as a Marine, as a State legislator and minority leader in the Rhode Island House, as Governor of Rhode Island, as Secretary of the Navy, and as a United States Senator. He and his wife Virginia raised a beautiful family, and instilled in them the values of public service and integrity. I am proud to have worked with such a distinguished man.

We will always celebrate, and never forget, the work that was born of his public service, his commitment to his family, and his commitment to his principles. Senator Chafee's work here in the Senate has had a tremendous impact on our nation. He leaves a remarkable legacy.

We will always celebrate Senator Chafee's leadership on the Clean Air Act. We will always celebrate his fight to strengthen the Safe Drinking Water Act. We will always celebrate his hard work in authoring the Superfund program. The air we breathe and the water we drink is cleaner and safer because of his landmark efforts.

We will always remember his unwavering advocacy for a woman's right to chose. We will always remember his fight to enact the Family and Medical Leave bill. We will always remember his important work to curb gun violence in America. Our families are stronger, our constitutional rights have been protected, and our streets are safer because of his steadfast devotion to these causes.

In these ways and more, Mr. President, we will always remember and celebrate his quiet strength, his unwavering commitment to the people of his state, and to his own principles. Senator Chafee has had an indelible impact on our policy and our politics, on our culture and our country. And for that, we will always be grateful.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having come and gone, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:46 p.m., the Senate recessed until 2:14 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HAGEL).

AFRICAN GROWTH AND OPPORTUNITY ACT—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I understand the Senator from Montana wishes to speak. I know there are a number of other Senators who wish to speak on the Social Security issue.

Mr. President, what is the regular order? Do we have an hour?

The PRESIDING OFFICER. The Senate is on the motion to proceed under cloture to H.R. 434.

Mr. GREGG. Mr. President, I ask unanimous consent that I be given 15 minutes as in morning business.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Reserving the right to object, my understanding is there is no time constraint. We are on the motion to proceed; is that correct?

Mr. GREGG. There is an hour.

The PRESIDING OFFICER. Each Senator is limited to no more than 1 hour.

Mr. BAUCUS. Asking further clarification, is that on the motion to proceed?

The PRESIDING OFFICER. On the motion to proceed.

Mr. BAUCUS. Mr. President, I ask unanimous consent that following the Senator from New Hampshire, I be allowed to speak for 20 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Hampshire.

SOCIAL SECURITY

Mr. GREGG. Mr. President, I rise today to express my concern about the President's latest Social Security proposal as outlined in his recent radio address. I hope Congress will resolve to oppose this proposal unless it can be significantly modified, and it does not appear the President wants to modify it.

I am greatly disappointed with the decision by the President to bring forward this proposal. I had hoped to work with the President in a bipartisan manner to resolve the Social Security issue. There are a number of us in the Senate who are willing to go forward in a bipartisan manner on this issue. For example, Senator KERREY, Senator BREAUX, Senator GRASSLEY, and I have introduced a comprehensive Social Security reform bill. I have been pleased with this bipartisan effort, at least in the Senate, but I have been extremely disappointed by the White House's continued partisan approach toward the Social Security problem and especially their most recent proposal, which is, to say the least, a sham proposal. My goal today is to make absolutely clear for my colleagues just why this proposal does not work.

This is not an easy task because it is a complicated and confusing issue, but it is something that must be done. Regrettably, I think the complicated and confusing nature of the proposal was intentionally created in that concept so the people would not understand it, so it would be confusing, and so that, therefore, by glossing over it with terms such as ''saving Social Security,'' they could attempt to hide the underlying documents and energy of it, which is to basically undermine Social Security.

Thus, it is vitally important that we all understand exactly what is at stake. So I am going to go back to basics and try to simplify this as much as I can.

In its simplest terms, the Social Security system has enough money to pay benefits today but does not have enough money to pay the projected benefits in the future, beginning in the year 2014. That is the entire problem.

What will we do in the year 2014 under the current law? We will have to raise additional money through the income tax, through the general revenues of the Federal Government. The gap between benefits promised and the Social Security taxes will get bigger and bigger every year. It will be $200 billion annually by the year 2020 and $666 billion annually by the year 2030. Under the current law, we will simply keep raising revenues every year until the Federal Government has paid everything it owes to the Social Security system in the year 2034.

When we reach that point, we declare insolvency, the Government of the United States, and the benefits would have to be cut, and Social Security would basically go into a tailspin. These funding gaps are so large, it would be unfair to a future generation to wait until that time and do the drastic cuts in benefits or radical increases in taxes which would occur in order to pay for the system. That is why so many of us have been calling for a comprehensive reform, a reform that will begin now, when we have time to work on the system and to make it work.

What has the President proposed? The President has proposed that as part of any lockbox legislation we accompany the lockbox with a provision that will transfer interest payments to the Social Security system. It is vital that my colleagues understand two things: This proposal would do nothing, absolutely nothing, to fund the future Social Security benefit; in fact, it would undermine the Social Security system by giving the false assurance of improvement. Secondly, this proposal would formally commit tens of trillions of dollars in new income taxes, simply through some accounting sleight of hand. That means that future generations, our children, our grandchildren, would get a tax increase as a result of this President's proposal which would run into the trillions of dollars.

To understand why, let me first show my colleagues this quote from the President's budget of last year. It was tucked away on page 337 in the analytical perspective section. Some budget analyst must have experienced an attack of truth in budgeting and included the language. It is definitive.

> Trust Fund balances are available to finance future benefit payments and other trust fund expenditures—but only in a bookkeeping sense . . . They do not consist of real economic assets that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures. The existence of large trust fund balances, therefore, does not, by itself, have any impact on the Government's ability to pay benefits.

That last sentence is the clearest explanation of what the problem is. No matter how large the trust fund stated number is, it does nothing to pay down the benefits, if there are not assets to back it up which can be drawn on without raising taxes.

I hope every Member of Congress understands this. I hope the American people understand it. If we use our power to artificially inflate the balance of the trust, it does not do the beneficiaries one bit of good. If we decree that it is a $1 trillion or a $10 trillion or even a nothing number in the trust fund, it has exactly the same financial impact. It has no impact on the outyear benefit structure. So the President's proposal to credit the trust fund with the interest savings will have no impact at all on the structure of the system and the liability which the American taxpayer will have to pay to support the system in the outyears.

What it would do, however, is give a false impression that we have taken some substantive action. And that, of course, is the goal of this President—politics over substance. We already have a problem of understanding. Already the Social Security system's problems are papered over by the declaration of actuarial solvency through the year 2034. This disguises the fact that the real problem for us and for the next generation begins in the year 2014. What the President is effectively saying is that we should now paper over the problem even further, that we should wait until the year 2050.

Earlier this year, the Comptroller of the United States, David Walker, testified before the Senate Finance Committee. He was speaking about the President's proposal of earlier this year, but his comments are equally valid regarding the most recent proposal he has put forward. He said:

> . . . it is important to note that the President's proposal does not alter the projected cash-flow imbalances in the Social Security program. Benefit costs and revenues currently associated with the program will not be affected by even one cent.

In other words, the proposal the President is putting forward has absolutely no impact on the ability to pay the benefits that are going to be required to be paid to maintain the Social Security system in the outyears.

Moreover, he went on to say: One of the risks of the proposal is that the additional years of financing may very well diminish the urgency to achieve meaningful changes in the program. That would not be in the overall best interest of the Nation. It would be tragic, indeed, if this proposal masked the urgency of the Social Security solvency problem and served to delay the much-needed action.

In other words, even though this proposal would not do anything for Social Security, it would make the representation to the public that we had. This would become a license for irresponsibility. It would break the faith of the Social Security beneficiaries by representing that the problem had been solved for another 50 years, even though we have taken absolutely no real action.

Here is a chart that shows the workings of the Social Security system in a simplified form and represents the problems we confront. On the left of the chart, we can see the projections under the current law. On the right-hand side of the chart, we can see projections under the President's proposal. There is absolutely no difference. The President's proposal has no effect on the problems of the system. Current law problems which caused the system to go into insolvency are going to exist in the same form if we follow the President's proposal.

The numbers are startling. We term it insolvent in the year 2040 because the cost is so high. Under the President's proposal, it is a $1.1 trillion increase in the year 2040 on the taxpayers of America, which, in my opinion, represents an insolvency event, if we follow the President's proposal.

What is the President's argument? He is arguing that his program provides for additional reduction in public debt and that we can justify these additional income tax liabilities by the fact that the public debt has been reduced and debt service has also been reduced. But, once again, the reality is different from the claim. If you study the Social Security actuary's memo in the President's plan written last Saturday, October 23, you would find the following information. I hope the press will pick up on this. Transfers are not contingent on actual amounts of reductions of debt held by the public. Transfers are assumed to be as indicated, regardless of the effect on the budget balances.

Now, it may well be the President will yet propose a way to require that only a reduction in public debt will trigger the transfers he has suggested, but that is not what his current proposal says. His current proposal only issues this new debt and these new liabilities and does not make them in any way contingent upon public debt being reduced. This is not a plan to reduce public debt. It is a plan to issue new debt. It creates new income tax obligations, regardless of what happens with the overall budget balance. It has nothing to do with straightening out the Social Security system by reducing public debt. It is simply an increase in income tax obligations as a result of an increase in debt obligations of the Federal Government.

One other point: The President believes it is appropriate to reward Social Security by giving it the interest savings from the reduced public debt. Current law already credits Social Security with interest, as if we had saved the surplus, whether we do or do not. This is current law. What the President is proposing is that we give a second round of transfers to the Social Security system. We are already crediting Social Security with interest saved. That is what produced the finding that the system is sound until the year 2034.

The President is simply proposing that we arbitrarily issue a second round of credit, not justified or contingent upon anything happening in public debt reduction, and increase the income tax obligations to the program. Remember, again, all the taxes the President is talking about pouring into this program as a result of this accounting process gimmickry are income taxes; they are not payroll taxes.

So we are shifting the burden, under the President's proposal, of the Social Security system from being a payroll tax system to being an income tax system, from going to a system where the people who receive the benefit under the retirement process and pay for it during their working lives are now receiving a benefit from the general revenue fund and the income tax fund versus the payroll tax fund. That is a huge change in the basic philosophy of the way we have supported the Social Security system. The President does this with his proposal, which is to create a new accounting mechanism.

So the practical effect of the President's proposal is to do absolutely nothing in the way of resolving the fundamental problems that confront Social Security. The practical effect of the President's proposal is to create an accounting gimmick that makes you feel as if you have done something. The practical effect of the President's proposal is to undermine the momentum for fundamental, fair, effective Social Security reform in exchange for a political statement that may get you through the next election but which is going to create major crises for the system in the outyears.

The President's proposal fails any form of accounting test. The President's proposal fails any form of a reasonable review. The President's proposal, most importantly, fails the next generation and the generation behind it because what it does is transfer onto their backs, for the sake of a political statement today, a tax burden that will amount to trillions of dollars. It is an action that is absolutely inappropriate and which I hope this Congress and the American people will reject.

I yield the floor.

PRIVILEGE OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that Peter Washburn, a fellow with the Environment and Public Works Committee, be allowed floor privileges during the introduction of the Good Samaritan legislation.

The PRESIDING OFFICER. Without objection it is so ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from Montana is recognized.

(The remarks of Mr. BAUCUS pertaining to the introduction of S. 1787 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I ask unanimous consent to be recognized to speak for up to 15 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY

Mr. THOMPSON. Mr. President, I want to address the subject of Social Security, as my colleague from New Hampshire has so eloquently addressed a few minutes ago. It is a matter about which we are all concerned. We all agree that something is going to have to be done about it because the numbers simply don't work. We all know that the money needed to pay to more and more retirees is not going to be sufficient because we are not going to have a sufficient number of people paying into the trust fund. We are going to have more and more retirees and fewer and fewer workers in the future. The numbers simply are not going to add up.

We all recognize that a day of reckoning is coming, and many of us have been struggling to try to decide what to do about it. It seems as if there are really only three choices.

One is to raise taxes. We pay for Social Security with Social Security taxes, FICA taxes. We could raise them astronomically on future workers.

The second is to cut benefits, which, of course, nobody wants to do.

The third choice is to have some kind of fundamental restructuring and reform. I think more and more people have concluded that is what has to happen.

A lot of people, including myself, think we have to have some system whereby the worker can invest some of that money in those FICA taxes for something that will have a much greater return than they are getting today.

We were hoping that before the President left office, there would be some leadership from the President in making some of the hard choices we all know are going to have to be made. Any one of those choices I have just described is not an easy political choice to make. It will never be made unless we get some leadership from the President, at which point I think a lot of people will fall in line.

We have, on a bipartisan basis in the Senate, already been trying to work toward that end. Frankly, I don't think the political risks are as great as a lot of people think. I think we should tell the people the truth and do something, go ahead and do it. There is not a lot of risk to that. Most people believe otherwise. But we will have to have Presidential leadership under any circumstances.

The President has come forth with a plan which does not really do those three things I mentioned before in terms of the alternatives, but he seeks to basically put the problem off to another day. It is a good strategy in a year before an election because it avoids the problem while pretending to solve it. But it certainly doesn't do anything to solve it.

I think we can reach agreement on that with a pretty wide consensus on a bipartisan basis in this body because too many Democrats and Republicans have been working together and concluding that the approach that has recently been suggested by the President is something that just won't work.

Here is the basic situation. Right now, mandatory spending programs such as Social Security and Medicare consume two-thirds of our Federal budget. In 1980, it was 53 percent; 1990, 63 percent; today, 66.5 percent. By 2030, if no changes are made, mandatory spending, including Social Security and Medicare, will eat up 100 percent of Federal revenue.

We know we cannot go down that route forever. At the same time, we are facing a demographic time bomb that will place unprecedented new burdens on the Federal budget. The number of Americans over the age of 65 will more than double between now and 2030. Also, during the same period, the working age of Americans will only increase by 25 percent. This means there will be fewer people paying into the system to support many more beneficiaries. Most everyone, myself included, argues that more people living longer is not a bad problem to have. But it will place tremendous strain on the Social Security Program and on our Federal budget, neither of which is particularly well equipped to deal with it.

I cannot agree with the President when he said in his radio address that his proposal to transfer general revenue credits—getting away from the FICA self-financing system that we have now, but dipping into general revenue credits, coming in from income taxes because we have a surplus now, that to transfer these credits into the Social Security trust fund is ''the first big step toward truly saving Social Security.''

Let me first point out the general revenues the President wants to transfer to Social Security come from the very same projected budget surplus he said we could not count on for tax cuts. Now he is using those same uncertain surpluses to so-called save Social Security. The President cannot have it both ways.

I will quote from testimony of David Walker, Comptroller General, testifying before the Finance Committee in February. The Senator from New Hampshire quoted Mr. Walker saying ''this does not represent a Social Security reform plan.'' I will not quote all of his statement at this point, but an additional statement he made was that ''the changes to the Social Security Program will thus be more perceived than real,'' talking essentially the same as the President's plan. Although the trust funds will appear to have more resources as a result of the proposal, in reality nothing about this program is changed. He concluded that the proposal does not present Social Security reform but, rather, it represents a different means to finance the current program.

It is not Social Security reform and will not save Social Security. One of the risks of the proposal is that the additional years of financing may very well diminish the urgency to achieve meaningful changes in the program. That would not be in the overall best interests of the Nation. In other words, whether it is designed to have the effect of convincing people we are doing something that we are not, that we don't have to address the problem for a while, when, in fact, we are not taken care of, thereby makes the problem worse when we finally do get around to instituting some responsible reforms.

I don't know if I can say it any better than the Comptroller. What the President is proposing is to add more debt to the Social Security trust fund, more paper IOUs that one day will have to be redeemed. What is different about these paper IOUs is that they do not represent excess FICA taxes—money collected for the specific purpose of financing the Social Security Program. For the first time, the President is proposing to inject general revenue dollars into the trust fund, based on a calculation of interest savings we will realize as a result of paying down the debt.

There are several problems with this. One, as the Comptroller General pointed out, adding more IOUs to the trust fund may give the impression on paper of extended solvency but it does not change by one minute the day on which the cash-flow problem comes home to roost; that is, the day on which payroll taxes will not be sufficient to cover benefit payments and we will have to begin redeeming the IOUs in the trust fund.

In the absence of real reform, as I said, there are only three ways to redeem the IOUs. Rather than taking steps to reduce the program's unfunded liability, the President's proposal makes us more reliant on the unhappy choices of raising taxes or cutting benefits. Rather than acknowledging that we will have to either raise payroll taxes, adjust benefits, or find a way to enable people to earn a higher return on FICA taxes, the President makes the program more dependent on future infusions of general revenues from the Treasury—income taxes from young workers that will come into the system later on. That will only exacerbate the trend I discussed earlier in which an ever-increasing portion of the overall Federal budget is being dedicated to entitlement programs for the elderly.

Everyone believes Social Security is a vitally important program, and everyone is committed to making sure that it is there for current seniors and future generations to rely upon. I am not sure we are all committed to the proposition that 100 percent of the Federal budget should be dedicated to Social Security and Medicare. In fact, I am pretty sure most believe the Federal Government has other responsibilities as well, such as national defense, national parks, infrastructure, and schools. That is the direction in which we are headed and the President's proposal gets us there more quickly.

The second problem with transferring general revenues into the Social Security trust fund, as David Walker pointed out, is that will, in all likelihood, diminish the momentum for real reform. If we continue to avoid real reform, we only have to look at countries in western Europe to catch the glimpse of the problems we face: Pension benefits that are on average 1½ to 2 times as generous as our Social Security; astronomical payroll taxes to fund the benefits; 40 percent in France; 42 percent in Germany; 39 percent in Italy, on top of other taxes imposed by the government, and an average unemployment rate across European Union countries that will be double that of the United States this year, 9.1 versus 4.3.

According to a recent series in the Washington Post, it simply costs companies too much to create jobs in Europe. In Germany, the textile industry, for example, payroll taxes and fringe benefits add 70 percent to the average salary. These countries have promised more than they can afford, just as we have.

We need to have a debate about structural reform of our Social Security Program. It needs to be a bipartisan debate. We need to have real options on the table, not gimmicks designed to give one party political advantage over the other. I hope the President will agree to work toward that goal, but until he does I hope we do not fall into the trap of instituting something that makes the situation worse. That is what this proposal will do.

I yield the floor.

Mr. KERREY. Mr. President, let me thank President Clinton for provoking debate about Social Security and what we ought to be doing to extend the solvency of the program. I don't support the proposal he has made, but I suspect there are many people in this body who don't support the proposal that I have made either. At least the President has put on the table an idea, and it is an idea that enables us, if we take a bit of time, to see what is wrong with the funding of this program and why there is an urgent need to fix it.

First, what the President does is exactly what I just heard the Senator from Tennessee say; what the President would do through his proposal is give beneficiaries who are alive between 2035 and 2050—beneficiaries who are, today, between the ages of 30 and 45—an additional $20 trillion claim on the income taxes of future working Americans. That is how the President's proposal would be funded.

Under current law, we will need $6 trillion worth of income taxes to pay beneficiaries between 2014 and 2034—this is above and beyond the revenue beneficiaries can claim from the 12.4% payroll tax on all working Americans. Today, there are 44 million beneficiaries: 39 million are old-age beneficiaries, 6.5 million are disabled, and 7 million are survivors. These beneficiaries receive the proceeds of a 12.4-percent payroll tax on the wages of most working Americans.

I suspect most Members of Congress didn't realize that back in 1983 we made a change in the law to assess a payroll tax that was larger than needed to pay the bills. Since then, those extra payroll tax dollars have been spent on other things. Between 2014 and 2034, we will have to pay back those borrowed Social Security payroll tax dollars with interest—and we will do so by either increasing income taxes, cutting other spending, or increasing our national debt. This year, for example, we will take in about $513 billion in revenue into the program—but we only need about $387 billion to cover expenditures. My guess is most Members of Congress didn't realize that the Treasury can only use these excess payroll tax dollars to buy special-issue Treasury bonds. Eventually, the Treasury has to reconvert those bond assets to cash—and it does so by using income tax dollars. Starting in 2014, Treasury will have to use income taxes and corporate income taxes to convert each and every single one of those bonds into cash that they will then use to pay beneficiaries—about $6 trillion worth.

If that does not bother you that we have to use an additional $6 trillion to pay benefits between 2014 and 2034—money that could have been spent on important discretionary spending programs, then you probably like the President's proposal. If you want the Social Security program to become more and more a program that uses both payroll taxes in addition to individual and corporate income taxes, you probably like the President's proposal. The President's proposal allows you to avoid making the difficult choices necessary in reforming Social Security, such as either explicitly raising the payroll tax—and I haven't heard anybody actually support that, although some have supported increasing the wage base—or making benefit adjustments out in the future; or a third way, which the Senator from Tennessee and I and half a dozen others in this body have chosen to do, is to use a combination of benefit adjustments out in the future, holding harmless everybody currently over the age of 62, and establishing retirement savings accounts—designed in a progressive way. Our plan ensures that women and low income individuals will receive significantly larger benefits. That is the purpose of these savings accounts—to help all working Americans build wealth for themselves. Privatization is just an attempt to give, especially that lower-wage individual, more than just the promise of a transfer payment coming from Social Security taxes. Our goal is to make individuals less dependent on the government for their financial security at retirement.

One of the most difficult and important things to understand in the Social Security debate is this idea of solvency. Solvency is an accountant's term. There are 270 million Americans today—nearly all of whom will be beneficiaries of the Social Security program at some point during their lifetimes. More than 44 million are eligible today. That means there are 230 million beneficiaries who will be eligible at some point in the future. That is the way to think about solvency—we have to make the program solvent for all retirees current and future. The idea is to keep the promise for every eventual beneficiary, whether you are 20 years old or 70 years old. Right now we cannot keep the promise to all 270 million Americans. There are approximately 145 million working Americans under the age of 45 to whom we cannot keep the promise of paying benefits. According to the Social Security Administration, these 145 million Americans will experience somewhere between a 25- and a 33-percent cut in benefits at some point during their retirement.

So when we talk about solvency, it is a real human issue. There are 145 million Americans today to whom we are not going to be able to keep the promise we made back in the 1930s. That is why a large percentage of young people say they don't believe Social Security will be there. They are partly right—Social Security will be there, but in a much smaller form as a consequence of Congress simply not having enough revenue in the system to be able to cover the bills.

What the President says is that he doesn't want to propose a payroll tax increase, or benefit reductions. He doesn't want to support the idea of individual wealth accounts. What he wants to do is give the Social Security beneficiaries out in the future a larger claim than they would have under current law on income taxes—on the wages of future working Americans.

I believe we made a mistake in 1983; that diverting $6 trillion of individual and corporate income taxes into the Social Security program makes our tight discretionary budget problem even worse. The President's plan exacerbates this problem by saying what we should give an additional $20 trillion in income tax dollars to extend the solvency of the trust for another 20 years.

I will reiterate what I said at the beginning. I still appreciate the President's contribution to the debate. He has provoked, for a short period of time at least, a real debate about what we are going to do to solve the problem of Social Security insolvency. I disagree with one element of his proposal because I think it takes a necessity and converts it into a virtue. I do hope, at least for a short period of time, we will discuss and debate Social Security reform. I hope we can discuss in a constructive fashion, what we are going to do to reform the program—rather than just talk about needing to fix Social Security. We need to discuss what we are going to do to finally change the law to keep the promise to all 270 million American beneficiaries.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask consent I be permitted to speak for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I did not come to the floor to speak exclusively on the issue of Social Security and the President's proposal. But before my good friend from Nebraska leaves, I wish to make a couple of comments. Then I would like to share with the Senate some very optimistic information with reference to our fiscal house and how well we are doing in terms of growth of government.

I suggest Republicans did a good job when they came up with the idea of locking up these Social Security trust funds so they wouldn't be spent. Frankly, even as short a time ago as last year, nobody thought we could quickly come upon a year when we would not spend a bit of the Social Security trust fund money in paying for our Government and would even have some left over to start a pay-down of Social Security. But in the year just passed, that actually happened. Things changed so much for the positive that last year we did not touch Social Security trust fund money and we accumulated $1 billion in surplus on budget, and it has nowhere to go except to pay down the debt—which helps with Social Security.

Frankly, I do not quite understand why, in the waning moments of this year, over the weekend in his weekly radio address, the President came up with a new idea about Social Security. I speculate maybe the idea of the lockbox and not spending any Social Security money was beginning to take hold and, of course, his new proposal takes 15 years, not 10 years, to get his job done that he perceives to be in the interests of Social Security solvency.

I remind everyone, if in fact the President has a way, with no new taxes, which none of us want, no benefit changes, no increases in what each particular citizen of the United States who puts money through the payroll account—they don't have any share of the profits and the increases that come, either from Wall Street or from investing in debt—somehow the Wizard of Oz came upon us and all of a sudden we can do this by just investing IOUs. As my friend from Texas said, you just take them as a piece of paper, walk them across the street, put them in a cabinet, and say: We have given them to the Social Security trust fund.

The President has one better. At a point in time way out there somewhere he is going to say: That is not the only thing I am doing. I am going to credit the Social Security account for the interest that was saved on the national debt by us putting those IOUs in that box.

Over the weekend I had a chance to discuss this. I look forward to seeing some details. I cannot believe what I am hearing. But I nicknamed this proposal and I think it is so. I think it is the ''Godzilla'' of all gimmicks. That is the way I would classify it, for those who are wondering about gimmicks.

I am not going to talk much more about that. But I will say to the President, if you have a little time left before you leave, and if you would like to fix Social Security, then engage in a bipartisan way, with Senators on both sides of the aisle, who would like to do something that would help make Social Security a better investment for the millions of Americans who are having this money taken out of their payroll and put in an account that yields them little or nothing.

If you had sitting in front of you a group of 22-year-olds, 25-year-olds, just starting out their work years in the American marketplace, and you said to them: For all of you, what is one of the worst investments you could make, in terms of putting money away until you are 65 and then drawing on it? anybody looking at it would have to say it is the Social Security system.

It is one of the worst investments you could make because you do not get anything on your investment. Sooner or later, somebody is going to come into the Presidency—if this President would like to do it, he ought to change his mind again and come to the party—and say we have to make that a better investment. By making a better investment, you enhance the value of the trust fund and thus make it more solvent over time.

Republicans invented the Social Security lockbox; Democratic Senators oppose it. Republicans support locking away every penny of the Social Security surplus—we have made that clear repeatedly to the President. In fact, we came up with the idea of the Social Security lockbox and have tried to pass legislation in the Senate on at least five occasions. This lockbox would stop the President and Congress from spending any of the Social Security surplus. Unfortunately, Democratic Senators have filibustered the lockbox.

The President wants to spend Social Security Surpluses. Congress has nearly completed action on all 13 appropriations bills, and we will do it without touching Social Security. But the President and his staff are demanding that we spend more on scores of government programs, including foreign aid, but they have yet to provide any credible proposals as offsets. Republicans and many Democrats have made it clear that we will not raise taxes to support the President's spending programs. If the President persists in demanding new spending without specifying a credible offset, I can only conclude that he wants to tap Social Security for his programs.

The President's proposal for Social Security solvency is the ''Godzilla'' of gimmicks. The President proposes no changes whatsoever in the structure of Social Security, and yet he wants the American people to believe he has made ''tough choices'' to save the program. It is simply not credible. In fact, for all the talk about gimmicks, it seems to me that this is the ''Godzilla' of gimmicks—a $34 trillion gimmick. The President's plan is nothing more than paper transfers from the general fund of government to Social Security, amounting to a cumulative $34 trillion in new IOUs in Social Security between now and 2050. At some point, when Social Security needs those IOUs to pay benefits, a future President and a future Congress will have to raise taxes to meet those obligations. So, in effect, this proposal is a $34 trillion tax increase on America's future.

There is bipartisan opposition to this gimmick in the Senate, including Senators BREAUX, KERREY, and ROBB, all of whom are on the Finance Committee with jurisdiction over Social Security.

Let me read some quotes from the experts:

David Walker, Comptroller General GAO, in testimony before Senate Budget Committee, February 1999:

> [President Clinton's Social Security proposal] does not come close to ''saving Social Security''.
>
> Under the President's proposal, the changes to the Social Security program will be more perceived than real: although the trust funds will appear to have more resources as a result of the proposal, nothing about the program has changed.

Federal Reserve Chairman Alan Greenspan, in Q&A before Senate Banking Committee, July 1999, when asked if he supported using general revenues to shore up Social Security—which is the basis of the President's SS IOU scheme—the Chairman said this:

> I would very much prefer that we did not move in the direction of general revenues because in effect, once you do that, then you've opened up the system completely and the issue of what SS taxes are becomes utterly irrelevant. And I'm not terribly certain that serves our budgetary processes in a manner which I think is appropriate.

Federal Reserve Board Member Edward Gramlich and Chairman of the 1994–1995 Social Security Advisory Council, in testimony before Senate Finance Committee, February 1999:

> During the deliberations of the 1994–1996 Social Security Advisory Commission, we considered whether general revenues should be used to help shore up the Social Security program. This idea was unanimously rejected for a number of reasons . . . there are serious drawbacks to relaxing SS' long-run budget constraint through general revenue transfers.

The Concord Coalition, in a press release, September 27, 1999:

> . . . we do not agree that [the President's] plan to credit Social Security with new Treasury IOUs representing interest savings from presumed debt reduction does anything to save the program . . . All it does is simply paper over Social Security's looming shortfalls.

Gene Steuerle, senior fellow, Urban Institute, in testimony before Senate Finance Committee, February 1999:

> My own assessment is an additional transfer from the government's left hand (Treasury) to its right hand (Social Security) . . . tends to mask too much. The simple fact is that future taxpayers must cover the cost of the interest and principal on any gift of bonds from Treasury to Social Security.

The President could have had a legacy if he had shown leadership. The President spent most of 1998 telling the country he would show true leadership on Social Security. If he had proposed real reform, many in Congress were ready to work with him. Unfortunately, he chose this non-reform, dooming his chances of any real legacy in Social Security.

Mr. GRAMM. Will the Senator entertain a question or two about Social Security?

Mr. DOMENICI. Absolutely. Surely.

Mr. GRAMM. We are, obviously, all aware Senator DOMENICI has been chairman of the Budget Committee longer than anyone has ever been, or ever will be again, under our new rules. We know he, of all people, knows how the budget works.

If you wanted to write a proposal and implement it in the future, after its potential impact on anything we are doing now would be zero, given our budget rules about things that affect taxes and entitlements, when would you let it go into effect?

Mr. DOMENICI. You have to tell me.

Mr. GRAMM. I will tell you. Under our current rules, we budget on entitlement and taxes for 10 years; right?

Mr. DOMENICI. That is correct.

Mr. GRAMM. So that anything we do today that has any effect prior to 2011 has an impact on our current budget.

Mr. DOMENICI. That is correct.

Mr. GRAMM. When do you think the President starts this godzilla of all phony proposals?

Mr. DOMENICI. 2015.

Mr. GRAMM. Exactly. Actually, he begins on 2011 and then changes the formula on 2015. The first point is that one indication it is phony is that he does not start it until enough time has elapsed that it will have no impact on anything we are doing now.

Mr. DOMENICI. The reason I did not understand the Senator's question is that sometimes we use 5 years. The President came along early this year for the first time in history and used 15 years. Thus, we said 15 is too long; let's do 10. But I am not sure where we are going to be on a permanent basis because we are looking at this to see what makes sense. I think what the Senator just said is absolutely right.

Mr. GRAMM. Let me pose another question. I have a memorandum to the chief actuary at the Social Security Administration which analyzes the President's proposal. I will read one part of a paragraph that analyzes the point the Senator from New Mexico outlined, and that is, the President is saying that in the future, long after it could have any impact on the amount of money we are spending now, we should pay the Social Security Administration for the interest savings we are accruing in the budget from using Social Security surpluses to pay down the debt.

When the Social Security Administration in their memorandum of October 23 analyzed that, they concluded the following:

> Calculation of the assets in the combined trust funds on September 30 of the year 2011 through 2015 would treat all amounts transferred as if—

''As if''—

> they had been invested in special obligations of the United States. This provision is not likely to have any effect under enactment of this bill alone because the managing trustee of the Social Security trust funds is not authorized to invest any asset of the fund in stock, corporate bonds under either current law or this proposal.

Mr. DOMENICI. Right.

Mr. GRAMM. In essence, the Social Security Administration says the proposal acts as if there is a transfer that can be invested, but since it cannot be invested, what you are doing is simply giving Social Security more meaningless IOUs, and the net result is no impact on anything.

When the President said in his State of the Union Address now 3 years ago, ''Save Social Security first,'' we never heard a program as to how we were going to save it. When he said last year, ''Save it now,'' we had all of these meetings and all of these proposals, and the President ultimately proposed nothing.

Now what we are seeing, sadly, is another gimmick where we do not do anything until the year 2011, and then it is simply a meaningless IOU where the Government owes Social Security but no money is available to pay for it other than if we raise taxes or cut Social Security benefits or cut another program in the future.

I thank the Senator for yielding. If there has ever been a fraudulent proposal, this is it. The tragedy is, the President had an opportunity to lead on this. There were Democrats and Republicans willing to follow him, and he did not do it.

Mr. DOMENICI. I thank the Senator.

I want to take a few minutes and look at this simple chart. We have been engaged for many years—in this Senator's case, 26 years—in talking about getting the expenditures of our Government down so we do not continue to incur huge deficits that force our children in the future to pay for our bills. We got to the point where that was something being spread across this land and everybody understood it. They said: Let's stop spending more than we take in.

Have we succeeded? Are we really doing something about how big Government was growing, and have we taken it by the horns and said we are going to do something about it or not?

This is a simple bar graph which shows in 1970–1975, the combined growth in Government for all of the entitlements—military and discretionary spending—was almost 11 percent. In

1975–1980, it was up even from that. It grew 12.2 percent. From 1980–1985, looking at this chart that has it in detail, all spending grew at 10 percent. From 1985–1990, all spending grew at 5.8 percent. It kept coming down.

Guess what it is for the last 5 years, I say to my friend from Tennessee. The combined growth of Government—entitlements, domestic and military—is now down to an annual spending of 2.8 percent, and that is made up of defense spending at 1 percent growth and nondefense discretionary at 1.4 percent annually.

I know we get into arguments on the floor and those who are worried about spending try to outdo each other as to how much we are going to save and make arguments of every single proposal that comes along in terms of cutting more—let's take some out of this program. All of those are good ideas. We are governed by a majority, so eventually whatever ideas you have, you have to get at least 51 votes.

Success in terms of getting Government down in size so we can live with it and do not have to incur significant deficits every year has occurred most significantly in the last 5 years. I remind everyone, throughout all these other years, we have had either a Republican President and both Houses Democrat, a Democrat President with both Houses Democrat, or a Republican President with one House Republican. And guess which combination has been most effective in getting spending down. It is when the Congress has Republicans in the House and Senate.

For 5½ years, we have had the lowest growth in Government at every level since 1970. It is pretty revealing. I share with anybody who wants to go through it—and we can talk more about how it has happened—but when people think the Congress did not do much, we were not big players in getting us a balanced budget, I submit this is a pretty big part of it. If those went back up to the levels that were here 15, 20 years ago, we would sure be looking around wondering, are we ever going to stop spending Social Security money to pay for the expenses of our ordinary Government?

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I thank the Chair.

Mr. President, I am going to address the Senate on the issue of the Caribbean Basin Initiative and the related parts of that package. But I appreciated being in the Chamber for these last few minutes to hear some of the discussion on Social Security and budgetary items.

I say with regard to Social Security—and I do not sit on a major committee dealing with the Social Security issue—all I know is, in the last few weeks, the Congressional Budget Office reported that while there may be a lockbox, apparently only one side has the keys to it because some $18 billion has already been dipped into in order to pay for spending in the present budget.

While we have a lockbox, apparently only a handful of people have the keys to be able to dip into it when it becomes necessary to find funding. I hope, as well, we can find common ground solutions to the Social Security issue. As the Senator from Nebraska has pointed out, the long-term interests of all Americans depend upon our ability to make sure we have a trust fund that is sound and in good shape.

I also recall a few years ago when there were proposals to amend the Constitution of the United States to require a balanced budget. The advocates of that proposal, of course, included that Social Security be calculated in reaching a balanced budget. There were those who argued that you couldn't do that because Social Security ought not to be used for that purpose. But those who were the authors of the constitutional amendment to balance the budget are some of the same ones today who argue on the lockbox. It wasn't a lockbox when we were talking about balancing the budget with a constitutional amendment. It is today. Nonetheless, I hope we can come up with some answers to this for the long-term.

AFRICAN GROWTH AND OPPORTUNITY ACT—MOTION TO PROCEED—Continued

Mr. DODD. Mr. President, I want to address the issue of the Caribbean Basin Initiative and the African Growth and Opportunity Act which is pending before the Senate. The package of incentives the Senate is considering this week includes the African Growth and Opportunity Act, the United States-Caribbean Basin Trade Enhancement Act, and the reauthorization of the Generalized System of Preferences and Trade Adjustment Assistance. Those are the four pieces of the proposal before us.

The Trade Adjustment Assistance dates back to 1962, when we decided to provide assistance to men and women in this country who had been adversely affected as a result of trade policies and who lost jobs. Trade adjustment allows for those individuals and companies that may be adversely affected to get some help. It has been a good law for almost 40 years, and I am confident this piece of the package is one all of our colleagues will support.

The matter dealing with the Generalized System of Preferences, the GSP, is also pretty routine, and one that we need to have enacted. I am, again, confident that this provision will also enjoy broad-based support.

The two pieces that are provoking the debate have to deal with the enhancement of the Caribbean Basin Initiative and the Africa Growth and Opportunity Act.

I will spend a couple minutes talking about both of those provisions. I support them. I think they are important pieces of legislation that are going to accrue to the benefit of our country. I know there are those who are going to argue that somehow this is going to cause great damage to certain workers in the country. I don't believe it to be the case. In fact, I argue that if we were to defeat the Caribbean Basin Initiative and the Africa Growth provisions, that they will actually accrue to the detriment of workers.

These are two important provisions which are going to enhance job opportunities in this country and are not going to harm people. I notice the presence of the distinguished Senator from Delaware, chairman of the Finance Committee. I commend him and his colleagues on the Finance Committee for dealing as expeditiously as they did with this trade package. This is the only piece of trade legislation I am aware of that we will deal with in this session of this Congress. I am hopeful that a good, strong majority of our colleagues will support these two provisions on the Caribbean Basin Initiative and the Africa Growth and Opportunity Act.

First, let me share some factual information so people can put this whole effort into context. Today, the Caribbean countries and the Central American nations comprise about 1.9 percent of all of the imports that come into the United States, 1.9 percent total. Of the 48 countries in sub-Saharan Africa that will be affected by this legislation if it is adopted, more than 700 million people who are the poorest in the world, live in these 48 countries. These countries make up .86 percent of 1 percent of textile and apparel imports to the United States. So between the 48 countries and more than 700 million people in the sub-Saharan Africa region and the 24 countries that make up the Caribbean Basin and the Central American nations, we are talking about something around 2.75 percent of imports that come into the United States.

We are talking about millions of people who live in these nations. We have a provision that would allow for the duty-free import of products that come out of these two parts of the world. But it isn't just duty free. It doesn't mean anything they produce automatically comes to this country. In this provision, there is a very important clause regarding textiles, which is the source of most of the argument, I think. The distinguished Senator from Delaware can correct me if I am wrong, but I think the textile provisions are probably provoking the most debate. In the textile provisions, we say that the fabric and the thread that is used to assemble the product in the 48 countries in Sub-Saharan Africa and the 24 countries in the Caribbean, that fabric and that thread must be made in the United States. You can then assemble the product in these other countries and it will come into the United States.

Why is that important? Today, we have a massive amount of imports that come into this country from the Pacific Rim, Asian countries. There is no such requirement in those trade agreements, while there are quotas. In the year 2005, the quotas come off entirely. If we don't pass the Caribbean Basin Initiative and the Africa Growth and Opportunity Act, by 2005, we are going to find our markets flooded by products made in the Pacific Rim, where there is no U.S. content requirement.

There are some 400,000 jobs in this country that make fabric and make the thread used in the production of these textile products that would come out of Africa and the Caribbean Basin. If we don't pass this legislation, those 400,000 jobs are in jeopardy. That is why this bill is important. First and foremost, this bill is important to America. As with any piece of legislation, the first consideration is, does it do any good or do no harm, but most especially, does it do any good for the people of the United States of America? I argue this bill is critically important to the well-being of almost a half million workers in the United States. Our failure to enact this legislation places those 400,000 jobs in jeopardy.

There are other reasons why I think this is important, aside from our own interests. We spent $6 billion of U.S. taxpayer money in the 1980s in one of these Caribbean Basin countries, El Salvador; $6 billion from the U.S. Treasury went to finance a war basically in the one country of El Salvador. Today, there are some 335,000 Salvadorans living in the United States. In fact, there are 1 million illegal aliens from the 24 Caribbean Basin countries living in the United States. And every day, more come.

Why do they come here? Why did my great-grandparents come here? Why do the grandparents of parents of most people, with the exception of African Americans, come to America? My great-grandparents left Ireland not because they did not love Ireland any longer. It was because they were discriminated against. They couldn't get work. They weren't allowed to be educated. So they were left with no choice but to leave the country they loved to come to America. That is true for millions and millions of people in this country.

Why do Salvadorans, Nicaraguans, people of the Dominican Republic and other nations leave to come here? It is not because they don't love their own countries, but the opportunities in these nations are almost nonexistent in many cases. That is why they come here. Do you want to stop that flood from coming? You have to create economic opportunity or that flood is going to continue, as sure as I am standing here.

This effort doesn't solve that problem entirely. It would be ludicrous to suggest it would. But it would start to create economic opportunities in these countries that would allow their people to have some future without looking for the next boat or raft or plane in which to escape the economic deprivation they see in their own nation and to seek what millions have done over the years; that is, to come to this land of opportunity. If we are going to stem that tide, we have to begin by creating economic opportunity, or at least assisting in that process. I think this bill attempts to do that and does begin that process.

Let me remind my colleagues that many of these Caribbean countries over the last few years have been devastated by natural disaster.

These hurricanes that have swept across these islands and across these countries have left thousands homeless, without any future whatsoever.

I recall that only about a year ago at this time, or a little less—actually in early November of last year—I flew down to Nicaragua, after the hurricane hit there, with the wife of our Vice President, Mrs. Gore, Tipper Gore, and a group of Members of Congress. We went down for a weekend to help out with the international relief organizations to try to see what we could do as volunteers to provide some assistance.

I will never forget, there were six or seven of us inside a one-room schoolhouse in Nicaragua, outside of Managua. It took us an entire day with shovels to shovel out the mud in a one-room schoolhouse. That is how thick it was. It took six people almost an entire day to shovel the mud out of what had been a one-room schoolhouse a few days earlier.

We were looking over a small community that had just been devastated, with tent cities going up. Most of them were made of whatever scrap pieces of metal and cardboard people could find.

So we talk about these neighbors of ours to the immediate south in this hemisphere who have been devastated by these natural disasters and events and our efforts to try to help them get back on their feet. We could write a check, although I suspect we would not come up with $6 billion in aid relief, as we did during the guerrilla conflict in Central America, for one country. We probably could not get that passed.

What we can do is try to provide some opportunity for jobs to be created, using U.S. content product, that would put some people to work in these countries, which keeps people working in America, and will provide some ray of hope for millions of people in these countries.

I commend the chairman of the Finance Committee and those who worked with him. This is a good bill. It is not perfect, and there may be some amendments that would be offered. My good friend and colleague from Wisconsin, Senator FEINGOLD, has an idea that is a different approach to what is included in the Africa Growth and Opportunity Act. I like what he is going to propose. I don't know if he will offer it as an amendment or not. My concern is that it probably would not pass. It has a factor of aid written into it, and I don't think there are 51 votes for a massive aid package here, nor does it exist in the House.

So while I like what he proposes, I am concerned that would not make it, and what we have here, I think, can. I am attracted to what he is suggesting, but I don't necessarily believe that is going to be the answer in terms of how to do it. In the long term, it is creating economic opportunity in these countries that makes the most difference.

We now have a balance of payment and trade in the 24 Caribbean countries that is positive. We talk about a mounting trade deficit, and it is true; but now if we are going to attack the trade deficit, we are aiming at the wrong target.

To give you an idea where the numbers are, in the last several years, the trade surplus with the 24 Caribbean Basin countries is over $2 billion. In the first 6 months of 1999, the surplus stands at $830 million for this year alone. That is getting near $3 billion in a trade surplus with these 24 countries.

It seems to me, if you want to deal with the trade deficit, maybe you ought to be aiming your sights on other parts of the world, although I am not advocating you do it. But if you do, that is where we ought to be looking. We have a trade surplus, and it is only a small amount of imports; 1.9 percent of the total imports come out of these 24 countries. Nonetheless, we have a trade surplus.

It seems to me that trying to expand trading opportunities is one of the few bright spots around the globe when it comes to expanding job opportunities here by providing new markets where American-produced products can be sold.

With regard to these African countries, all of us have seen these photographs. You don't have to go to Africa or necessarily become a great student of what is going on in the sub-Saharan region. But anybody with even a passing awareness of what has happened to these countries over the last number of years has to be moved by it. They have to be moved by what they see.

When you see more than 700 million people living under the most abject conditions of poverty imaginable in the world, with less than 1 percent of textile and apparel imports coming from those 700 million people—I think .86 percent is the number; that is all it is coming into this country. If we can't say to these 700 million people in these 48 countries, look, take our fabric and our threads, and if you can produce a product to sell into this country, keeping the jobs here at home and enhancing your economic opportunities, then what do we stand for? How else do we really, in the long term, provide assistance to these people?

Does anybody really believe we are going to take out a check and write out an aid program to provide assistance to this many people in those countries? I don't think so. Ironically, only two of the countries in the sub-Saharan region have any kind of trading relationship with us at all. The other 46 have virtually no trading relationship. While this bill would potentially affect 48 countries, in fact, only 2 of the 48 really have any kind of involvement in terms of trading. Again, it is almost exclusively in the textile area.

Again, I will make the point I tried to make at the outset. This bill, first and foremost, is good for this country. In the year 2005, the quotas come off. Again, my colleague from Delaware has forgotten more about this issue than I know. He can correct me if I am wrong. In the year 2005, as I understand it, the quotas on trade from the Pacific rim come off. There are no content requirements, as I understand it, with product produced in the Pacific rim.

So if we don't provide an offsetting market to the Pacific rim market in the Caribbean Basin Initiative in the sub-Saharan region, come the year 2005, the people today who produce the fabric and produce the threads that would be used to produce the products out of the nations affected by this bill would have their jobs in jeopardy because that content requirement is not there on the Pacific rim nations. The quotas do come off, and we could be adversely affected, in my view, by such an event. So it is going to be critically important that we start to build up an alternative market that has U.S. content requirements in it.

I know some of my colleagues have raised the issue of labor standards. They are legitimate issues to raise. I point out that, to the best of my knowledge, all 24 countries in the Caribbean Basin Initiative are signatories to the international labor agreements. They are already on the line for supporting those labor standards. There is a legitimate issue about enforcement of the standards; that is a separate issue.

But the fact is, there are labor standards here. The issue is whether or not you can enforce them and see to it that people are going to be protected to the extent possible by those labor standards. I hope we will figure out a mechanism to enforce the standards in those laws. The laws do exist to require these countries to meet those labor standards.

Again, I commend those who have been involved. I will have more to say on the bill as the debate moves forward.

For those who think that somehow this is a giveaway, this is just a favor we are doing for people who live in the island nations of the Caribbean or the Central American countries, nothing could be further from the truth. This bill is good for America. It protects jobs in America, expands growth and opportunity for businesses to be able to sell into these markets.

The best social welfare program is a job. That is the best social welfare program. Nothing does more for a nation, for a family, or for an individual than to give them an opportunity to have a job, where they are self-sufficient and providing for their families and themselves. This proposal that increases a trading opportunity with these poor countries in Central America and the Caribbean and in the 48 nations of sub-Saharan Africa gives them an opportunity to have a job which, in the long-term, is what preserves democracy and creates the kind of wealth and education necessary for nations to prosper and to grow.

Again, with only 1.9 percent of all the imports coming from the Caribbean, those 24 countries, and less than 1 percent of textiles and apparel coming from the 48 nations in the sub-Saharan Africa nations, I think this country of ours and the Senate should support this initiative and say to the nations and the people: We want you to be partners with us. We want you to have the chance to provide for your own people.

We want to do so without costing jobs for hard-working Americans. This bill does both of those things, and for those reasons is richly deserving of the support and votes of Members of the Senate.

For those reasons, I urge adoption of this bill when the appropriate time comes to vote aye.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I understand that I am entitled to up to 1 hour under the rules at this point, or at any point during the debate on the motion to proceed. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. FEINGOLD. Thank you, Mr. President.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that during debate of H.R. 434 the following members of my staff have access to the floor: Mary Murphy, Tom Walls, Mary Ann Richmond, Linda Rotblatt, Sumner Slichter, and Michelle Gavin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, I come to the floor today to talk about the African Growth and Opportunity Act and the Africa trade debate.

The African Growth and Opportunity Act's supporters believe that this legislation is a landmark—that it represents a real opportunity for growth on the continent, a new way of thinking about Africa.

And they want us to believe, as they believe, that to reject it, or try to improve it, would be to reject all engagement with the continent and indeed to reject all of the African people's enterprise and energy.

On that they are wrong. This bill is deeply flawed, and must be changed in a number of fundamental ways or, quite frankly, if we can't do that, I think it should be defeated.

For 7 years I have served on the Subcommittee on Africa and I have committed myself to supporting democratization, peace, and development in the many varied countries of that continent. I support engagement with Africa as strongly as any Member of this body.

I am deeply concerned about the dearth of economic ties between the people of the United States and those of the African continent. The current level of trade between us is depressingly small. Africa represents only 1 percent of our imports, 1 percent of our exports, and 1 percent of our foreign direct investment.

Should something to done to stimulate our trade with Africa? Absolutely.

But I urge this body—let's not pretend that we are now debating a comprehensive trade package for Africa, for this bill is not in the least comprehensive. Let's not fail to address the need to build an environment that will foster and sustain mutually beneficial economic relationships. If we fail to assemble the components of that environment in this trade package, it cannot be called comprehensive, and I don't think it should even be passed.

There really are only two defensible views of this bill. It either does virtually nothing at all or, worse, it actually does harm.

This legislation actually does very little for Africa. The trade benefits we are talking about are not terribly significant. The African Growth and Opportunity Act makes African states eligible for temporary preferential access to the U.S. market for textiles and apparel only.

Many of Africa's primary exports are not addressed at all by this legislation.

The African Growth and Opportunity is silent on the subject of corruption. But surely corruption ranks right beside instability as one of the primary disincentives for American companies to get involved in Africa.

In fact, of the 17 sub-Saharan African states rated in Transparency International's 1998 Corruption Perception Index, 13 ranked in the bottom half. Shouldn't a major piece of U.S.-Africa trade legislation at least mention this issue? Shouldn't it at least take a stab at addressing the corruption that impedes healthy commercial relationships?

Mr. President, this legislation does nothing at all to address the African context for economic growth. That context is a challenging one—it is a context of boundless potential amid a web of obstacles.

Economic growth in Africa faces the obstacle of a devastating HIV/AIDS epidemic. In the course of 1998, AIDS was responsible for an estimated 2 million African deaths. That's 5,500 deaths a day.

Eighty-seven percent of the world's HIV-positive children live in Africa. Their lives are that continent's future. Their chronic illness and their deaths each day erode a little more of Africa's promise. It is difficult to see how the United States can enjoy mutually beneficial trade relations with Africa unless we commit ourselves to addressing

HIV/AIDS crisis on a scale beyond anything we have done before.

Economic growth in sub-Saharan Africa faces the obstacle of a staggering $230 billion in bilateral and multilateral debt. Africa's debt service requirements now take over 20 percent of the region's export earnings. How can Africa become a strong economic partner when its states must divert funds away from schools, away from health care, and away from infrastructure in order to service their debt burden?

How can we talk about economic engagement and simply ignore these painfully obvious realities?

Mr. President, in several ways, I believe that this legislation actually would do harm.

By seriously addressing only the textile industry, it would discourage the kind of diversification that African economies need to gain strength and stability.

AGOA also fails to adequately tackle the problem of transshipment. Transshipment is a practice whereby producers in China and other third party countries establish sham production facilities in countries which may export to the United States under more favorable conditions. Then these producers ship goods made in their factories at home and meant for the U.S. market to the third country, in this case an African country, pack it or assemble it in some minor way, and send it along to the United States marked ''Made in Africa,'' enjoying all of the trade benefits that label would bring.

As my colleagues know, transshipment is a very serious problem. Approximately $2 billion worth of illegally transshipped textiles enter the United States every year.

The U.S. Customs Service has determined that for every $1 billion of illegally transshipped products that enter the United States, 40,000 jobs in the textile and apparel sector are lost.

I'd like to share some words from the Peoples Republic of China with my colleagues.

It is a pretty startling example of what can happen.

This is a quote taken from the official website of the Chinese Ministry of Trade and Economic Cooperation. It says, and this is a direct quote:

> There are many opportunities for Chinese business people in Africa. . . . Setting up assembly plants with Chinese equipment, technology and personnel could not only greatly increase sales in African countries, but also circumvent the quotas imposed on commodities of Chinese origin imposed by European and American countries.

Mr. President, it's not hard to see that those who would engage in transshipment aren't too worried about the protections we currently have in place to guard against it.

If nothing else raises a red flag for my colleagues when they consider the African Growth and Opportunity Act, this should be a crystal clear signal. Whatever opportunities this legislation creates by and large will not be opportunities for Africans.

In fact, the African Growth and Opportunity Act does not require that Africans themselves be employed at the firms receiving trade benefits.

While it is utterly silent on African employment, AGOA actually takes a step backwards for Africa with regard to content. The GSP program requires that 35 percent of a product's value-added content come from Africa. This legislation lowers that bar to 20 percent. This is progress?

Mr. President, AGOA also contains weak provisions for ensuring workers' rights. It relies on GSP provisions to protect African labor. But some countries—like Equatorial Guinea—have GSP today, and still do not allow the establishment of independent free trade unions.

AGOA could lead to exploitation in the name of increased trade. AGOA does not mention environmental standards at all. Any plan for sustainable economic development must include some notion of environmental protection. This is particularly true of a continent like Africa, where in some countries 85 percent of the population lives directly off the land.

We are all affected when logging and mining deplete African rainforests and increase global warming; we all lose when species unique to Africa are lost to hasty profitmaking schemes, hatched without regard to sustainability or long-term environmental effects.

Environmental quality also has serious implications for peace and stability in the region. As we have seen in the Niger Delta, environmental degradation can lead to civil unrest.

Responsible trade policies must adequately address human rights and environmental issues—not just because it is the right thing to do, but also because, in the long run, it will create a better business climate for Africans and Americans alike.

In addition, the failure of the African Growth and Opportunity Act to mention the critical role that development assistance plays in promoting African growth and opportunities has raised alarm here at home and internationally. The perception is that the United States has deluded itself into believing that a small package of trade benefits—benefits which may not actually affect Africans themselves—can replace a responsible and well-monitored program of development assistance. This inevitably must cast doubt on the United States commitment to development in Africa.

I care deeply about Africa and about United States policy towards Africa, and my colleagues know that. But I am here today not just because of my own concerns, but because of others—because I know how deeply they care about Africa, and I have heard them voice their very serious concerns about AGOA.

African-American leaders ranging from Cornel West to Randall Robinson oppose the African Growth and Opportunity Act.

Just 2 weeks ago, a group of African-American ministers representing communities from Massachusetts and Mississippi, California and New Jersey, Virginia and Illinois came to Capitol Hill to express their opposition to the African Growth and Opportunity Act. I will read briefly remarks of Rev. Alexander Hurt of the Hurt Inner-City Ministries, Church of God and Christ on the African Growth and Opportunity Act:

> I have never fully felt like an American until the day that I watched my President land in the land of my fathers. It was like introducing two old friends to each other. That the AGOA is in any way associated with that trip is the saddest part of this debate. There are millions of African-Americans who, like me, connect the President's trip to Africa with a start of a new kind of relationship between not only Africa and America, but Africa and the West. AGOA closes that possibility. For it represents not a new future, but a return to the past.
>
> America in a period of abundance that is unknown in human history, can not be moved to reach out to Africa to help starving nations. In the end we must decide if we will have a foreign policy that reaches out with a hand toward nations as equals, or with a hammer and pound them into subjection.
>
> Few things have changed with America's position toward Africa. What was once done with the canon and the gun is now being done with medicine and debt.

I have heard African voices raise the alarm about AGOA as well as American ones. The Congress of South African Trade Unions has issued a statement opposing the African Growth and Opportunity Act.

A statement issued by 35 African NGO's—including Angola's Journalists for the Environment and Development, Kenya's African Academy of Sciences, South Africa's International People's Health Council, and Zambia's Foundation for Economic Progress—strongly opposed AGOA.

Women's groups have spoken out as well. Women in Law Development in Africa, a coalition of African women and women's advocacy groups, opposes the African Growth and Opportunity Act, as does Women's EDGE, a coalition of international development organizations and domestic women's groups.

The Africa-America Institute organized focus group discussions in eight African countries and the United States to foster discussion of proposed United States-Africa trade legislation. They found that AGOA will not contribute to African development unless the United States and other donor countries also increase investments in African human resource development and take measures to relieve Africa's debt burden.

I know others have voiced support for AGOA, and I don't question their motives. Some of those supporters believe that this is the only game in town, and that a deeply flawed Africa trade bill is better than no bill at all. I think they are wrong. This Senate has a responsibility either to make this bill better, or to refuse to let it become law.

I want to take a positive approach and make this bill better. Therefore, I have proposed alternative legislation, S. 1636, the HOPE for Africa Act. It was based largely on the efforts of my colleague from the House, Congressman JESSE JACKSON, Jr., and I am grateful to him for his leadership on this issue.

The provisions of the HOPE bill point the way toward a truly comprehensive and a more responsible United States-Africa trade policy. I intend to use elements of HOPE to try to amend and improve AGOA.

Mr. President, I want to amend AGOA to make goods listed under the Lome Convention eligible for duty-free access to the United States, provided those goods are not determined to be import-sensitive by the President. These provisions would mean more trade opportunities for more African people.

At the same time, AGOA must be changed to reflect the importance of labor rights, human rights, and environmental standards. My proposals will clearly spell out the labor rights that our trade partners must enforce in order to receive benefits. They will also contain a monitoring procedure that involves the International Federation of Trade Unions, so that violations will not be glossed over at the expense of African workers.

I will propose stronger human rights language, and incentives for foreign companies operating in Africa to bring their environmental practices there up to the standards that they adhere to at home.

I will propose tough transshipment protections that give American entities a stake in the legality of the products they import. I want to be sure that Africans and Americans really do benefit from our United States-Africa trade policy.

In that same vein, I will propose that trade benefits be contingent upon African content and the employment of African workers.

I will propose that the United States reassert its commitment to responsible, well-monitored development assistance for Africa.

I would be irresponsible if I did not propose changes to AGOA that will address the factors crippling Africa's economic potential today—debt, HIV/AIDS, and corruption.

I will urge this Senate to include anticorruption provisions that I will offer as an amendment to the African Growth and Opportunity Act.

I will propose that we address debt relief in this legislation so that, at the very least, we can put ourselves on the path toward taking well-thoughtout and responsible action.

For all its wealth of natural resources, Africa's people are its most valuable resource. I will support measures to prioritize HIV/AIDS prevention and treatment in AGOA. In addition, I want to address the issue of Africa's intellectual property laws, to ensure that United States taxpayer dollars are not spent to undermine the legal efforts of some African countries to gain and retain access to low-cost pharmaceuticals.

Mr. President, if all of this sounds ambitious, it is. Any plan to seriously engage economically with Africa must be ambitious. My bill and the amendments I will offer to AGOA are the minimum we must do to knock down the obstacles to a healthy, thriving, and just commercial relationship between the countries of Africa and the United States. The bill before us falls short of the minimum meaningful effort. The rhetoric that surrounds the African Growth and Opportunity Act is certainly ambitious. It is the content that is insufficient.

We must demand more of a United States-Africa trade bill than AGOA has to offer. Ambitious plans can lead to rich rewards for both America and Africa. Anything less promises failure, despair, and decades more of lost opportunity.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

IN HONOR OF SENATOR JOHN CHAFEE

Mr. CONRAD. Mr. President, it is with great sadness I rise to mourn the passing of Senator John Chafee. Senator Chafee was much more than a colleague to me. Senator Chafee was a very close friend as well. The Senate has lost a giant, and I assuredly have lost a friend.

John Chafee will go down in history as one of the best U.S. Senators to ever grace this Chamber. Senator Chafee was one of those rare people who was able to rise above partisanship and work constructively with others on both sides of the aisle to achieve important things for the American people.

John Chafee always had a smile, he always had a feeling of the possible, and even in the darkest times when it seemed as if there was no way to bring people together in this Chamber, John Chafee had the confidence that if we just reached out, if we were rational and reasonable and talked to each other, we could accomplish great things. That was the spirit of John Chafee, and it will be in this Chamber long after he has left us.

I look at his desk now and I see the bouquet of flowers there. What a fitting tribute to John Chafee because he graced any room he entered. That is the way I remember John. When I learned yesterday that he had died, I was thinking of my last encounter with John, which was on the floor last Thursday. I was exiting the Chamber with a group of Senators. I walked past him and he said: Hey, don't you talk to me anymore? Because I hadn't exchanged our usual greeting.

I came back and I reached out to him. We shook hands, had a brief conversation, and I told him: John, you know I'll always talk to you. We had a little conversation about what was occurring in the Senate and what might be done to improve things. That was John Chafee. That was quintessential John Chafee. How are we going to make things better?

He never spent a lot of time ruminating and worrying. Instead, he spent time figuring out how we were going to make things better. That is what I so admired about John Chafee, that and his basic human decency. You could not find a more decent person to work with in this Senate or in any other forum than John Chafee. I admired him so much because he really gave a life of dedication to public service.

John Chafee, we all know, was very fortunate. He grew up in a family of means. He did not have to spend his life in public service. He could have been on ''easy street.'' But that is not the way John Chafee chose to lead his life. Instead, John determined he would take on one public challenge after another, whether it was serving in the Marine Corps, of which he was very proud, or whether it was serving his State as Governor, or serving as Secretary of the Navy, or serving here in the Senate. John Chafee had a life dedicated to public service. His State of Rhode Island and our country are the richer for it.

I served on the Finance Committee with John. It was the only committee assignment we shared. But I soon became a partner and ally of John Chafee's on the Senate Finance Committee because we thought about issues in much the same way. John Chafee was somebody who believed deeply in fiscal responsibility. He felt very strongly that was something we should pursue. But at the same time, he had a progressive agenda. He was really the leading advocate for the mentally ill, the disabled, and the retarded. As the Finance Committee considered changes to Medicare and Medicaid, I was honored to work closely with John to make sure that changes did not negatively impact those groups.

Together, I remember well, we sponsored an amendment to ensure that disabled children would not be removed from the Supplemental Security Income Program. As a result of John's leadership, more than 100,000 disabled children were able to maintain critical benefits to help their families afford the costs associated with their disability. That was John Chafee. He cared about other people—and really cared, not that superficial ''just talk the talk.'' John Chafee cared enough to take risks and to make a difference in people's lives.

We all know John was also a strong advocate of health care. In many ways, he became the leader on the Finance Committee on issues of health care and especially health care as it related to low-income Americans. He wanted to make certain people had a chance, an opportunity. Oh, yes, John believed in personal responsibility; there was no question of that with John Chafee. But he also believed there were people who were less fortunate in life who also deserved a hand up—not a handout but a hand up. That, too, was John Chafee.

I especially remember back in the early 1990s when we had a series of very thorny health care issues to work out. A group was formed on the Senate Finance Committee, the Centrist Coalition. That group worked under the leadership of John Chafee and JOHN BREAUX on a series of budget questions. That group was preceded by what we called the Mainstream Coalition, a group of Senators, Democrats and Republicans, who worked together to try to rescue health care reform when it looked as if it was going down the tubes.

In fact, the Senate Finance Committee recessed and gave the Mainstream Coalition a chance to try to bring together the diverse interests in this Chamber so we could have a chance for health care reform to work. I remember spending hundreds of hours with John Chafee and that group down in John's hideaway working on health care reform—hour after hour after hour. John did not want to give up. Even when it seemed as if there was absolutely no hope, John Chafee urged us to continue to work together, to talk together, and to try to come up with a plan that would make a difference in the lives of the American people. That was John Chafee.

Later, with the Centrist Coalition, we focused on the budget. I remember the day we brought a budget resolution to the floor that the Centrist Coalition had put together. It was a very close vote. There were 20 of us in the Centrist Coalition: 10 Democrats, 10 Republicans. We met during the Government shutdown. We met throughout the spring. Even those of us on the Budget Committee separately debated the budget resolution. But when we entered S–201 of the Capitol, Senator Chafee's hideaway, we left all partisanship at the door. That was the rule. We debated numbers and entitlements and discretionary spending. We considered alternatives and options. We voted and we made decisions. We put together a budget package that received 46 bipartisan votes in the Senate despite the opposition of the leaders on both sides. We had the leader of the Democrats and the leader of the Republicans both in opposition to our plan, but we got 46 votes.

I think it shocked many people—24 Democrats and 22 Republicans. I remember John's reaction. He was proud. He was proud we had come forward with a plan that commanded that kind of support on the floor of the Senate, even in the face of leadership opposition.

Do you know what. I believe that plan helped form the basis for what came later. I believe that plan helped demonstrate to the leaders there really was support for balancing this budget, for getting our fiscal house in order and for making a difference. John Chafee was a leader in that effort, and he was proud of it. He deserved to be proud of it because he was making a difference.

The vote on the Centrist Coalition budget and the effort that went into putting it together was public policy at its best. It could not have happened and would not have happened had it not been for Senator Chafee. He demonstrated extraordinary patience, always moving forward, always keeping the debate focused until consensus could be reached.

I remember so well, John, your admonition to us: Steady as she goes. That was one of John's favorite sayings: Steady as she goes. His strong, steady leadership allowed the centrist coalition to be successful.

That is how I will remember Senator Chafee, and that is just one of the reasons we will miss him so terribly in the Senate.

I say to our dear friend, John Chafee, this afternoon as he said so many times to us: Steady as she goes, John, steady as she goes. We will miss you very, very much.

I thank the Chair and yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I come to this Chamber concerning the tragic news we received yesterday morning that our friend and colleague, John Chafee, passed away on Sunday.

John Chafee was a leader who moved the Senate to do great things. He embraced the bipartisanship we are so quick to reject in this Chamber, and he did so with a dignity and integrity that made us proud to serve with him in this body and to call him a colleague and to call him a friend.

John constantly worked to bring his colleagues together and to bring his keen intellect and spirit of fairness to bear in an effort to move legislation forward. Whether he was working on health care, the environment, constitutional issues, or Government reform, he approached every issue on its merits and found ways to overcome partisanship to work together.

In an atmosphere which asks us to take sides and defend our ground, John Chafee instead sought common ground, and he sought it with an uncommon commitment to what was best for our Nation. And always, as he worked to foster bipartisanship and civility, he held fast to the principles that guided him: a deep commitment to fiscal responsibility and a dedication to protecting our children, preserving our environment, and striving for better health care for every American.

I had the honor and pleasure of working with Senator Chafee on a number of issues that affected my State of Wisconsin and the entire Nation. As a distinguished veteran and one of the Senate's greatest patriots, Senator Chafee had the courage and the commitment to constitutional freedom to be a vocal opponent of a constitutional amendment on flag desecration.

When he spoke against the amendment before the Judiciary Committee in April, he criticized the measure as the first amendment to the Constitution that would limit, not expand, our freedoms in that great document. But most of all, this great patriot was deeply troubled by state-mandated patriotism. John Chafee said:

> We cannot mandate respect and pride in the flag. In fact, in my view, taking steps to require citizens to respect the flag sullies its significance and symbolism.

With this issue and so many others, it was Senator Chafee's thoughtful and fair-minded approach that commanded my utmost respect and admiration.

His work in the area of conservation was legendary. He won huge gains in the fight to protect the environment, including perhaps his greatest achievement, his vital improvements to the Clean Air Act during its reauthorization in 1990.

Senator Chafee also was a dedicated advocate for the reauthorization of the Superfund Program and the Endangered Species Act, and though his attempts at reauthorizing these programs were unsuccessful in recent Congresses, in characteristic fashion he managed to carve out significant common ground between the parties on both issues.

John's efforts on these issues were a great service to the Nation, as was his support for another issue recently before this body—campaign finance reform. While John and I did not always see eye to eye about each aspect of campaign finance reform, he characteristically found common ground on which we could agree and lent his invaluable credibility to our efforts.

I was also fortunate enough to work with Senator Chafee in the area of health care reform where he displayed an unparalleled commitment to improving access and quality of health care for those most in need. His ability to rise above partisanship enabled him to do the real work of the people, working in bipartisan coalitions to address problems in the managed care system and doing the vitally important work of examining health promotion, disease prevention, and improving health care quality.

Most recently, I had the pleasure of working with Senator Chafee to draft legislation to refine portions of the Balanced Budget Act of 1997 that have adversely affected home health care agencies.

In everything he did, John Chafee brought a quiet dignity to his work and to the work of this body. We all benefited from the spirit of civility and bipartisanship he fostered during his 23 years in the Senate. I hope we can cherish and nurture that spirit in the years to come.

I extend my deepest condolences to John's family, his wife Ginny, his 5 children, and 12 grandchildren. John Chafee was a hero in battle, a distinguished Secretary of the Navy, a great leader as Governor of Rhode Island, and a towering figure in the Senate for more than two decades. His life was an inspiration to all those who believed public service can, indeed, be an honorable profession. All of us who had the opportunity to work with him will cherish his memory and do our best to honor his legacy to the Nation.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I join with my colleagues, many who are honoring John Chafee today. He was a proud New Englander and a person, in my opinion, who embodied the spirit of service which characterizes so many of his contemporaries and those who came before him, not only from his State but across the Nation, especially from New England.

He came out of a culture which always put public service first. To him, public service was the purpose of being an elected official. He had no other cause or commitment other than doing well by the people he represented and by his Nation.

There is a lot of identity I have shared with John Chafee, more in the sense of a father figure than as a comrade or a contemporary, during my years growing up. He went to Yale at about the same time my father went to Yale. Then he went to Harvard Law School about the same time my father went to Harvard Law School. He was elected Governor not too long after my father was elected Governor. So there was a parallel career path.

In my household in New Hampshire, the name John Chafee, although it came from the distant State of Rhode Island, echoed with great respect. It was a name that had attached to it an understanding that there was a leader who was committed to his Nation and who understood that to be a good leader, you had to be concerned for others first. He was a person who set a standard for all of us.

When I arrived at the Senate and I met Senator Chafee as a contemporary, so to speak, I had great anticipation because he was literally a very large figure for me as I grew up and a large figure within the New England community. I would not have been surprised had he been a person who just sort of smiled at a new Senator and said: Nice to have you here; we'll see you in a couple years when you get your feet on the ground.

No, that wasn't John Chafee's style. He reached out to me, as he reached out to so many Senators who had served with him, both new and those who served with him for a considerable period of time. He said: Join me; I have some ideas. Sit down with me and listen to them. I would like to hear your ideas.

He brought me into this council he had begun, the centrist group, and treated me as someone whose thoughts and concerns were equal to his and were of legitimate importance and significance. I greatly appreciated that, coming from someone with his senior status and great knowledge on issues such as health care. It was really an experience in how one builds consensus to deal with John Chafee at any time but especially during the first few years I served in this body. My respect for him only grew as I had the opportunity to serve with him over the years.

There was no issue he undertook that he did not undertake as a person committed to identifying and obtaining a thoughtful and substantive response to that issue. I never experienced at any time his addressing an issue in a partisan way or in a political way in the negative sense but always in a constructive way and in a manner in which he was looking towards resolution. He would take the most complex issues that this body had to address, issues such as Medicare, the general health care system, environmental laws, issues which created great fervor and intensity on both sides of the aisle. He would sit down and, through the force of his personality, which was one of generosity and intelligence, of sincerity and of commitment, sift through the issue and work with the parties and, more often than not, be able to reach a consensus position—an extraordinarily impressive individual.

His greatest strength, I think, was that he was just plain Yankee. He had a way about him that is personified by the Yankee mystique. It can be defined as being honest and committed, patriotic—of course, a lot of other people fall in that category, too—but there was also that willingness to be precise, curt, some may say, the willingness to cut through the large ferocity of this body to the essence of an issue quickly, and the understanding always that our purpose is to serve. His purpose above all was to serve the people of Rhode Island and the people of this Nation.

As with everyone else in this body, my heart goes out to Ginny and his family. We wish them, during this time of difficulty, Godspeed, and we are thankful for the time which we had with John as he showed us how to be a good citizen, a good legislator and, most importantly, a good American.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, twice I have spoken about John Chafee. He was one of the very special people. We just can't stop thinking about him or talking about him. I will not take a great length of time except to say that as I was listening to my colleague from New Hampshire and other colleagues, it really struck me that he was the quintessential, almost perfect public servant.

I believe service is the most noble human profession—service to family, service to church, service to community, service to friends, public service. There is no more noble pursuit than service. John Chafee epitomized public service.

I wish Americans could have known John Chafee and could have watched him and been with him during the day. If American schoolchildren were to have been with John Chafee, watched John Chafee, I know one thing, most everybody would have wanted to be a Senator. Most everybody would have wanted to emulate John Chafee; he was so good. He taught by example. Somewhat by words, somewhat by telling students what to do, but much more by example.

We are all almost in awe of John Chafee because of his example, what he did. He didn't make a big thing about it. He didn't brag about himself. He didn't try to take credit for anything. He just acted according to what he thought was in the country's best interest and in Rhode Island's best interest. It was just by accident that I learned only a couple years ago that he was a highly decorated Korean war hero. There are Senators on this floor sometimes who like to brag about their exploits in the armed services or at least allude to them and hope that somebody asks them more questions about it, pursue it a little more. Not John Chafee.

If John Chafee's staff would write a statement or a speech on his behalf and allude to his service in Korea or Guadalcanal as a veteran, he would strike it. He didn't want to brag about anything. He didn't want to brag about all the awards he had been given. He was that kind of guy. To me, they don't get any better. There aren't many cut from that bolt of cloth these days.

I wish more people could have seen and watched John as a person, as he was, and a Senator. I know this country would have a much higher regard for public service if they just knew who John Chafee was.

This is really John Chafee's day. I hope we all will savor the good thoughts and the wonderful memories of John, this day and in future days.

OPENING JAPANESE MARKETS

Mr. BAUCUS. Mr. President, when we go to H.R. 434, I am going to introduce a sense-of-the-Senate resolution encouraging the U.S. Government to pursue its bilateral measures with Japan and urge the United States to urge

Japan to go further to open up telecommunications markets, particularly its Internet services, and so forth. I will have a lot more to say at the appropriate time. I believe strongly that we, as a country, have to go further and, more importantly, Japan has to go a lot further in opening up its market. It would be in the best interest of Japanese consumers, if it were to do so, and it would surely be in the best interest of peoples all around the world. At the appropriate time, I will speak more at length.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

MINIMUM WAGE

Mr. KENNEDY. Mr. President, I would like to take a few moments of my time under the bill to talk about a subject I am very hopeful we will be able to address in the very near future. It is a subject matter that has been outstanding during the course of this year and that we have still failed to act on, and that is to try to see an increase in the minimum wage for many of the workers in this country.

We have seen in more recent times the Congress move ahead to increase its own salary some $4,600 a year. When we increase the minimum wage, it will mean approximately $2,000 to those who are working the hardest at the lower end of the economic ladder but who perform extraordinarily important jobs that are really, in many respects, at the heart of the engine of the American economy today.

I think all of us are mindful that we have had the most extraordinary economic boom in the history of our country. But there are those Americans who have been left out and left behind. There is no group of Americans who have been more disadvantaged than those who are working at the minimum wage level. That is why I was very hopeful we would see fit to address this issue this year because we find that those minimum wage workers are falling further and further behind.

I want to remind our colleagues about what has happened on the issue of job growth because the most familiar argument we have in opposition to the minimum wage is that it will somehow dampen the increase in jobs and, secondly, it will add to the rate of inflation.

Let's look at what has happened in the most recent times. This chart goes from 1995 up through 1999 and it indicates when the Senate and the Congress actually increased the minimum wage. We increased the minimum wage to $4.75 in 1996, and still we saw job growth continue through 1996 and 1997. We increased the minimum wage then in 1997 up to $5.15. This was a two-step increase of 50 cents and 40 cents, up to what is now $5.15.

There were those who warned the Senate of the United States that if we saw this kind of increase, we would lose anywhere from 200,000 to 400,000 or 500,000 jobs in the job market. But what we have seen is a continuation of the expansion of the job market, where we find it going up and up until September of 1999. Past increases in the minimum wage have not meant the loss of jobs.

Secondly, if we look at this chart, this is the employment rate. Another way of looking at the issue of jobs is the employment in our country with the increase in the minimum wage. The unemployment rate is at historic lows after a minimum wage increase. On the two steps here, if we look, we find that we went from almost 5.5 percent unemployment, and then in September of 1997 we were just below 5 percent. Since that time, it has continued to decline. So we have seen an expansion of the growth rate and a decline in overall unemployment in this country.

Well, you could say there must have been some impact in terms of the rate of inflation. But what we have seen, and as we know, is if you have an increase in productivity and the rise in productivity exceeds the increase in the payment, you don't get the rates of inflation. That is what we have seen.

According to labor statistics, we have seen what is represented by this blue line on the chart—an increase in productivity for American workers over the period from 1957 to 1959, up to 1998. This is the annual productivity increase. We have seen a significant increase in the productivity.

If we look at what has been the impact of the real minimum wage, the kind of decline here, now the spread between productivity and the purchasing power of the minimum wage is at one of its greatest since the enactment of the increase in the minimum wage. Productivity is up, and we should see an increase in terms of the wages for those workers.

If we look at what has happened in terms of the real value of the minimum wage, we see that in 1968 it would be worth $7.49. If we had the minimum wage today in purchasing power of what it was in 1968, it would be $7.49. This is what has happened in terms of real dollars.

We are now at this level of $5.15 an hour. Without this increase, it will drop down to $4.80, almost back to where it was at the time we saw the very modest increase 4 years ago. Even with the increase, it would put the real value at $5.73. With two 50-cent increases over the next 2 yours, the purchasing power would still be only $5.73. We are always playing catchup with the millions of American workers who receive the minimum wage.

We are delighted to debate these issues with those who continue to give the old, worn-out, tired arguments in opposition: that raising the minimum wage will mean loss of jobs and that it is going to add to inflation. We are glad to debate those issues. But we are being denied by the Republican leadership the ability to consider an increase in the minimum wage.

This is a Business Week editorial, May 17, 1999. It is not a Democrat journal. It is not a voice for the Democratic Party. Of course, years ago when we had the increases in the minimum wage, we had bipartisanship. It has been only in recent times when it has become a partisan issue.

As Business Week points out,

> Old myths die hard. Old economic theories die even harder . . . higher minimum wages are supposed to lead to fewer jobs. Not today. In a fast-growth, low-inflation economy, higher minimum wages raise income, not unemployment.

I ask unanimous consent that the full article with regard to the minimum wage be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Business Week, May 17, 1999]

THE MYTH OF THE MINIMUM WAGE

Old myths die hard. Old economic theories die even harder. Remember the one about inflation rising as unemployment falls? How about productivity dropping as the business cycle ages? Or the U.S. is a mature economy doomed to slow growth? One old favorite is that higher taxes inevitably lead to recession. These days, none of these theories appears to work. A new economy driven by high technology and globalization seems to be changing old economic relationships. But one economic shibboleth still remains popular: the bane of minimum wages.

Congress is debating whether to raise the minimum wage from $5.15 to $6.15. Opponents of the bill cite reams of economic research showing that minimum-wage hikes curtail demand for cheap labor. Like the trade-off between employment and inflation once said to be inherent in the Phillips curve, higher minimum wages are supposed to lead to fewer jobs. Not today. In a fast-growth, low-inflation economy, higher minimum wages raise income, not unemployment.

For proof, look no further than the minimum-wage hike of 1996–97. The two-stage hike of 90¢ raised the wages of nearly 10 million employees. Nearly three-quarters of these were adults, and half the people worked full-time. In 1996, the unemployment rate was 5.4%. Today, it is 4.2% (page 42).

The economy is evolving at a tremendous clip—shedding its old skin before our eyes. In this ever-changing environment, the best policy aims at increasing flexibility and options. Keep markets free, promote growth and entrepreneurship, and open the doors to opportunity for all participants. A higher minimum wage can be an engine for upward mobility. When employees become more valuable, employers tend to boost training and install equipment to make them more productive. Higher wages at the bottom often lead to better education for both workers and their children.

In the New Economy, it often makes sense to leave old economic nostrums behind and take prudent risks. Federal Reserve Chairman Alan Greenspan, for example, has withstood pressure to raise interest rates in the face of strong economic growth. Traditional theory said that inflation follows fast growth. It hasn't. Greenspan bravely took a chance, and America has profited from higher growth. Congress, for its part, has withstood pressure to allow states to impose sales taxes on the Internet. Economic theory says this is harmful because it creates an unfair competitive advantage. But it is the right policy because it nurtures a pervasive technology that is driving the economy.

It is time to set aside old assumptions about the minimum wage, as well. We don't know how low unemployment can go before inflation is once again triggered. But Greenspan is testing the limits. We don't know how high the minimum wage can rise before it hurts demand for labor. But with the real minimum wage no higher than it was under President Reagan, we can afford to take prudent risks.

Mr. KENNEDY. Mr. President, in reading that particular article, you will see that they make the point that the money that is actually used or actually received by minimum wage workers is spent and adds to the economy.

Take a State such as Oregon, that has the highest minimum wage in the country. Since Oregon went to a higher minimum wage more people are working, because it brought people who work back into the labor market because they were able to provide meaningful income to themselves and to their families. It provided an additional boost to the economy.

That concept has been supported by the Card and Krueger studies that have been referred to in other debates on the minimum wage.

Raising the minimum wage is an issue of fundamental and basic fairness, fairness and justice for men and women who are working at the lower economic rungs of the economic ladder. These are people working as assistants to school teachers in many of the schools across the country. These are people who are working as assistants in nursing homes that are looking after our parents and grandparents. These are men and women working in the great buildings in our major cities cleaning up after long days. These buildings effectively would not be functioning unless people were willing to provide that kind of work.

This issue, as I have said many times, is a women's issue because the majority of individuals will benefit from increasing the minimum wage are women. This is an issue of civil rights because one-third of minimum wage workers are men and women of color. This is a children's issue because more than 80 percent of families earing the minimum age are headed by women. Providing for the children in these families is directly related to the incomes that people have, and many have not just one job but the two jobs held down by many minimum wage workers who are heads of households.

We hear a great deal about family values. How are parents going to be able to spend their time with their children when they are out there working on two different jobs trying to put food on the table, a roof over their heads, and trying to clothe their children?

It is amazing to me when we have this greatest economic boom in the history of this country, this body is going to be begrudging to men and women who work hard, 40 hours a week, 52 weeks of the year, and who value work. How many speeches did we hear on the other side of the aisle that we honor work, and we want them to go out and work? People are out there working, and you refuse to give them the kind of income they need so that they can work in dignity and not live in poverty.

I know we have a lot of important pieces of legislation. This isn't a very complicated issue. Every Member in this body knows these issues. Everybody knows this issue. We are not talking about a complicated policy question. It is just a question of whether we are prepared to stand up and speak for those individuals who have fallen further behind economically than any other group—any other group in our society. They are the minimum wage workers. They haven't even been able to maintain the purchasing power of their wages, they have fallen further and further behind and continue to do so.

With all respect to all the other items we have in the Senate in terms of public policy questions, certainly the issue of fairness to our fellow citizens is something the American people understand.

The obstinacy of the Republican leadership in refusing to permit a limited period of time for us to vote on this issue, I think, is a real tragedy for these families. It certainly is. But they have refused and refused and refused with these tired, old arguments. We cannot get this issue on the agenda. They say we are the majority and we will set the agenda.

Let us have an opportunity to vote on those issues.

We saw our colleagues on the other side of the aisle say: Well, all right; if we are going to find an increase in the minimum wage for 2 years, we are going to require $35 billion in unpaid tax breaks that are going to swell to $100 billion over ten years.

If you want to look after the working poor, Senators, they say, you are going to have to provide $100 billion in tax breaks—not related to small businesses, not related to minimum wage individuals, but to the highest paid 10 percent of taxpayers in this country who will get over 90% of the benefit from those tax breaks.

Still we can't even have a chance to debate, they refuse us the time even to debate that. They ought to be ashamed of themselves.

The last time we provided an increase in the minimum wage was the first time we added all the tax goodies. Now the Republican leadership understands they have a train coming along the tracks, and they are piling up and piling up.

They may consider doing $1 over 3 years.

We have already delayed a year—2 years now. They refused to let us bring up the issue up last year, and they are refusing to let us bring it up this year. They want to spread it out three more years. That won't even keep up in terms of inflation for those working families. And to be able to do even that, you have to tag on $100 billion over a 10-year period of tax goodies, unpaid for.

If these individuals end up contributing and paying taxes, they will be paying some of their taxes to try to offset the increase that the Republican leadership wants in these tax breaks.

We may see another hour that goes by without facing the minimum wage issue. We may see another day that goes by without facing the minimum wage issue. But I will tell you, it is inevitable that we will one way or the other bring these measures to the attention of the Senate and try to get accountability.

How many times do we have to hear about accountability on the other side of the aisle? We want accountability. We want accountability for this. We want accountability for that. We want accountability for everything except being willing to vote up or down on the increase in the minimum wage. Yet they were quite prepared to vote themselves—all of the Senate, and the House of Representatives—a $4,600 raise. But they won't even permit a vote on the Senate floor on an increase in the minimum wage.

Mr. President, maybe that goes over well someplace. But it doesn't seem to me that it will go over well with the American people. We intend to continue to press this issue.

Mr. President, I withhold the remainder of my time.

AFRICAN GROWTH AND OPPORTUNITY ACT—MOTION TO PROCEED—Continued

Mr. WELLSTONE. Mr. President, I had a chance to speak this morning and I don't really want to repeat what I said, except to mention one point which is both an argument I want to make to my colleagues here and an argument I want to also make to the administration.

We have a WTO meeting coming up next month in Seattle. There will be many rank-and-file labor people and labor leaders attending, farm organizations, nongovernment organizations, environmentalists. We have been told by the administration that maybe within WTO we can have some enforceable labor standards, some enforceable environmental standards, so we are raising everything up rather than racing to the bottom.

This is important because with NAFTA, in spite of what was said, the truth is, the environmental standards and labor standards were an afterthought and not enforceable. What kind of message are we sending to people when, on the one hand, we have the administration and others saying with WTO we will try to have enforceable standards, and then we have a bilateral agreement, several trade agreements, without enforceable labor standards, without enforceable environmental standards?

As a Senator my bottom line is that I am in favor of the right of people to organize and bargain collectively in our country and in other countries. I am in favor of the rights of ordinary citizens to be able to bargain collectively and have the right to organize so they can make a decent wage and support their families. That is what is sorely lacking in this legislation.

I will mention one amendment. I mentioned several this morning. If we go forward with this legislation tomorrow, I certainly want to have the right to introduce amendments. I talked about a number of amendments. One dealt with campaign finance reform and for the right to apply for clean money, clean elections for Federal offices. I don't think we should abandon this debate or issue.

The amendment I want to introduce tomorrow, if that is the direction in which we are heading, deals with this economic convulsion that is taking place in agriculture. On October 25, Bird Island Elevator, Renville, MN, crop prices: Wheat, $2.89 a bushel; corn, $1.43 a bushel; soybeans, $4.04 a bushel. This has nothing to do with what our livestock producers are getting.

Let me say to those who don't know agriculture, this is way below what it costs farmers to produce a bushel of wheat or corn.

Let me say to my colleagues, in my State of Minnesota, farm income has decreased 43 percent since 1996, and more than 25 percent—a quarter of our farmers—may not be able to cover expenses for 1999.

At the same time, you have these conglomerates that have muscled their way to the dinner table, exercising their power over family farmers. They will do it over consumers, and they are driving our family farmers out.

According to a recent study at the University of Missouri, five firms now control over 80 percent of beef packing; six firms, 75 percent of the pork packing, and the list, frankly, goes on and on.

I want to give a few more figures, then mention the amendment and finish up. The top four pork packers have increased their market share from 36 percent to 57 percent. That is what has been occurring. Smithfield is buying up Murphy, and now they are about to buy part of Tyson Foods that deals with pork production. Our pork producers are facing extinction and these packers are in hog heaven.

The top four beef packers have expanded their market share from 32 percent to 80 percent just in recent years. The top four flour millers have increased their market share from 40 percent to 62 percent. The top four turkey processors now control 42 percent. The list goes on and on.

What we have is a food industry where we are looking for the competition. So here is the amendment I will introduce with Senator DORGAN. I think we may get a majority of votes. I hope so. This will be an amendment to address the market concentration in agriculture. What we would call for is a moratorium that would apply to these mergers and acquisitions over the next 18 months, during which time there are a couple of things that will happen. This would deal with companies that had assets of over $100 million and the second party had more than $10 million. This is the threshold test right now under which these firms would have to apply to the Justice Department and FTC.

The moratorium would last for 18 months or until Congress passes comprehensive antitrust legislation to deal with this problem of the concentration in agriculture, whichever comes first. Moreover, our amendment will establish an antitrust review division to look at this concentration in agriculture and to make recommendations as to what kind of regulations are necessary and what kind of action we should take.

I finish this way. We will be talking about this legislation today. I spoke about it earlier. If we move forward tomorrow, as a Senator from Minnesota I want to have the opportunity to introduce this amendment with Senator DORGAN that calls for a moratorium on these acquisitions and mergers. I want to do it because these big conglomerates are pushing our family farmers off the land. I want to do it because there is a direct correlation between their concentrated market power and the record low prices that our producers are receiving. I want to do it because if we do not have a moratorium over the way in which these huge conglomerates are taking over agriculture, then our rural communities will be devastated and more and more family farmers will be driven off the land. Someone will own the land, someone will own the livestock, but it will be the few.

I think that kind of concentration of power is frightening. It is frightening for our family farmers. It is driving them off the land. It is frightening for our rural communities that depend upon the number of family farmers who live in the communities and buy there. Do you know what else? It is frightening for America. Food is a very precious commodity. We ought not have just a few conglomerates that control all phases of this food industry from seed all the way to grocery shelf. This is wrong. It is not acceptable.

As a Senator from Minnesota, I hope my colleagues will excuse me for saying that for 4 weeks I have asked the majority leader for an opportunity to introduce the amendment. Tomorrow morning, if we go forward with this legislation, I will be here first thing and this is the first amendment I am going to introduce to this legislation. Then we can have an up-or-down vote, and I am hoping we will get a majority vote.

I see my colleague from North Carolina. I gather he wants to spend some time.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EDWARDS. Mr. President, on the Africa-Caribbean trade bill, let me say first I believe in free trade. This country and my State of North Carolina are part of a global economy. To put our heads in the sand and pretend that is not true is completely unproductive and accomplishes nothing.

My concern is that the bills we are addressing this week, the African-Caribbean trade bills, put us in a position of playing with fire. The Senate version of those bills is marginally acceptable but they are significantly different, from my perspective, than the House version of those bills. The Senate version specifically contains provisions for what is called yarn forward and fabric forward, which I will talk about in a few minutes. But both bills are dramatically deficient in one respect; that is, they make it almost impossible, in my judgment, to enforce provisions against transshipment.

Transshipment, as my colleagues know, means a country such as China can ship goods to Africa that they otherwise could not ship directly to the United States because of quotas, have a button sewn onto a garment or a piece of apparel, and then have it shipped to the United States and otherwise circumvent existing tariffs and quota requirements. The problem is the enforcement mechanisms against transshipment. In the House bill, in my judgment, they are virtually nonexistent. In the Senate bill, while somewhat better, still we rely heavily on African countries to develop and enforce rules against transshipment. That is simply not a bet worth taking. Unfortunately, transshipment has the potential of putting an enormous number of folks out of work in North Carolina and having a dramatic impact on the textile and apparel industry in my State of North Carolina.

The second problem with these bills is the issue of yarn and fabric forward. The Senate bill provides for yarn and fabric forward, which essentially means African countries operating under the Senate bill, if it were passed, would be required to use American yarn, American fabric, which theoretically would help protect American manufacturers in those two areas. The problem is those provisions are not in the African trade bill on the House side. Unfortunately, if this bill passes the Senate, once it gets to conference, there would be enormous pressure to drop out the fabric forward and yarn forward provisions. Without those provisions, the textile and apparel industry in the United States and in my State of North Carolina would be dramatically affected.

I said when I began that I believe in free trade, and I do believe in free trade. But I think there are certain fundamental principles with which every free trade agreement should comply.

First, the agreements must be negotiated and must be multilateral. The countries with which we are entering into these agreements have to give something up. As I will discuss in a few minutes, that is not true with respect to this bill.

All the trade laws have to be fair and enforceable. As I indicated a few minutes ago, there is at least one major area, transshipment, that in my judgment is not enforceable in this bill.

Third, the trade bill must have adequate labor and environmental protections overseas.

That is common sense. If our businesses and workers in this country are going to compete, as they should, with businesses and workers overseas, these bills must have adequate labor and environmental protections.

Finally, the trade bills must have tangible and provable benefits for U.S. companies and U.S. workers.

Those four criteria must be present for a free trade bill to make sense for our country and for my State of North Carolina.

I am going to talk about some of these principles and how they apply to this specific bill.

First, I just mentioned tangible benefits for U.S. workers. Let me tell you a little bit about what is happening with textile and apparel industry jobs in this country and specifically in my State of North Carolina.

We have 177,000 textile jobs in North Carolina. We have 45,000 apparel jobs, 222,000 jobs in total. Almost a quarter of a million workers in my State of North Carolina are dependent on the textile and apparel industry to put food on the table for their families; a quarter of a million families who are going to be impacted if this bill passes and is signed by the President and becomes law.

Let's look at what has happened to folks who have worked in that area in North Carolina over the last several years. In the last 5 years, from 1993 to 1998, North Carolina has lost 62,000 jobs in the area of textile and apparel manufacturing. That is 62,000 families who had a breadwinner working in that industry who lost their jobs. I believe the studies have shown that those folks have had a terrible time finding other employment. The reality is that the people who work in these jobs need these jobs. They are critically important to provide them and their families with a livelihood. Oftentimes, there is nowhere else for them to go.

I want my colleagues to recognize that when we do pass the kind of legislation we are talking about in these trade bills, it is not just an economic issue. This has real and human consequences on families in my State of North Carolina.

We have lost during that same 5-year period in the textile apparel industry almost 300,000 jobs nationally, which means 300,000 families in this country have lost their source of income during that same 5-year period.

What has happened during the 10-year period from 1989 to 1999? In North Carolina, we have gone from 220,000 to 177,000 textile jobs, almost 43,000 jobs lost, a 20-percent drop in 10 years. We have gone from 83,000 to 45,000 in the apparel industry, which means they have almost been cut in half; half the people in North Carolina who were dependent on the apparel industry to provide income and livelihood for their families have been put out of work; a 45-percent drop, almost half. The reality is, these families have been devastated by the loss of these jobs.

The bill we are talking about today, the African-Caribbean trade bill, could very easily have exactly the same impact because it ensures these jobs we are trying to hold on to in the United States are very likely to be exported to the Caribbean and to African countries.

The average apparel wage in the United States is $8 an hour. Let's see how that compares with these other countries. In Mexico, the average wage is 85 cents an hour. In the Dominican Republic, it is 69 cents an hour; El Salvador, 59 cents an hour; Guatemala, 65 cents an hour; and Honduras, 43 cents an hour—$8 an hour to, in all these countries, well under $1 an hour that companies will have to pay in wages. It does not take a mathematical wizard to figure out what is going to happen to these jobs and to all these folks in my State who are completely dependent on the textile and apparel industry to provide for their families, many of whom have been working in this industry for many years.

On a personal note, I grew up in the textile business. My dad worked in the textile business for 37 years before his retirement from that business. I have seen firsthand, having worked in mills in North Carolina when I was in high school and in college, how heavily folks depend on these jobs. They have nowhere else to go.

The bottom line is, it is all they know, and it is all well and good to talk abstractly about retraining, but when you are talking about retraining somebody who does not have a high school education and who has spent the last 30 or 40 years of their life working in a cotton mill, they have no idea what to do and they have no realistic prospect of going to some other field of employment. These people need these jobs. This is a human tragedy that is created oftentimes by these trade bills. I want folks to realize this is real, and it has a real and devastating effect on people's lives in my State of North Carolina and all over this country.

Let me talk briefly about the jobs we know have been lost and the plants that have been closed over the last few years in North Carolina. In September of this year, Pluma Inc. closed a plant in Eden, NC, a small community in North Carolina, 500 jobs lost; 500 families lost their breadwinner. The company of Jasper closed a plant in Whiteville, NC, in September of this year; 191 jobs lost. Whiteville Apparel in Whiteville, NC, in eastern North Carolina, closed a plant in August of this year; 396 jobs lost. Stonecutter Mills in Rutherford and Polk in western North Carolina closed a plant in June of this year; 800 jobs lost. Dyersburg, in Hamilton, NC, closed a plant in May of this year; 422 jobs lost. Unifi in Raeford and Sanford closed a plant in March of this year; 257 jobs lost. Levi Strauss closed a plant in Murphy; 382 jobs lost. Burlington Industries in January of this year closed plants in Cramerton, Forest City, Mooresville, Raeford, Oxford, and Statesville; 2,600 jobs lost. Cone Mills at the end of last year, in December, closed a plant in Salisbury; 625 jobs lost.

In a period of less than a year, 6,173 jobs have been lost in my home State of North Carolina. Just imagine what impact the passage of this piece of legislation will have. It will accelerate those numbers. It will not retard them. It will accelerate them, so more and more workers who have spent their lives working in textiles will have nowhere to go, no way to feed their families, and their families are just out of luck.

I want to read from a news story that appeared in the Arizona Republic. It appeared on October 23 of this year—just recently. It is entitled "Textile Industry Unravels Workers Idled By Cheap Labor." It does a terrific job of telling the story of what is happening to workers and families all over North Carolina who are being impacted by these trade bills:

> It was the only work she'd ever done, the only work she'd ever wanted to do. And a contented Lorie Coleman spent a decade and a half inspecting stitch lines, examining cloth and making sure everything that came out of the Ithaca Industries textile mill here met her "high standards"—never mind the company's. A $6-an-hour job it may have been, but it was hers.
>
> Then it was gone.
>
> "To think you could work somewhere," Coleman . . . said recently, her voice still tinged with disbelief . . ." and the next thing you know, you're gone, just like that."
>
> Just like that, a livelihood for the Lorie Colemans of North Carolina and thousands of others in the Piedmont area is disappearing.
>
> Since 1995, according to state labor statistics, more than 160 textile and apparel mills have closed in North Carolina, leaving nearly—

Listen to this, Mr. President—

> leaving nearly 30,000 people out of work [since 1995].
>
> Those losses are reflected throughout the Southeast, which, according to federal figures, lost more than 85,000 such jobs, even as the country was experiencing its fabled economic expansion.

During a period of booming prosperity for this Nation's economy, when everyone else is taking advantage of investment in Wall Street, great earnings on Wall Street, companies are doing terrifically well, 85,000 people in the Southeast lost their jobs, 30,000 in my State of North Carolina.

> To be sure, North Carolina is still the leading state in the leading region for U.S. production of textiles and apparel. Nevertheless, the State is hemorrhaging.
>
> Few places in the State have felt the sting of such losses as much as Lorie Coleman's

native Columbus County. Home to nine mills just three years ago, the county now has 3 mills, and two of those are scheduled to close this fall.

They will have one mill left.

It's a corner of North Carolina that was spared from the worst of Hurricane Floyd's floods last month, but it is bearing the brunt of an industry's decline. After Jasper Textiles and Whiteville Apparel close their gates, the number of textile jobs in this county [Columbus County in eastern North Carolina] will have fallen to 50 from 2,100.

In other words, they have gone from 2,100 jobs to 50. There is nowhere for these people to go to work. They have no comparable jobs. There is nowhere else for them to go.

Those figures also bear witness to the decline of a distinctly Southern way of life.

Lorie Coleman said it best. She spent her life working in this mill and all of a sudden it was gone. Everything she spent her life learning to do has disappeared.

There is another fundamental problem with this bill. These bills are unilateral. They are not multilateral. Every Member of the Senate should require, in order to vote for a trade bill, that it be multilateral.

What does that mean? First, in the Caribbean, the Dominican Republic charges a 30 to 35 percent tariff on apparel imports. Honduras charges 25 percent. Nicaragua charges 20 percent. We are lowering our tariffs in this bill. Do we have a corresponding lowering of tariffs in those countries? The answer is no. We are unilaterally lowering our tariffs and expecting nothing from the countries that are part of this trade agreement. Their tariffs remain exactly the same. Where is the fairness in this agreement?

In Africa, the average tariff on apparel is 27 percent. Exactly the same tariff is charged on home textiles. This simply makes no sense. Why should we as a nation unilaterally lower our tariffs and have our companies in this country subjected to tariffs in the countries we are entering into contracts or agreements with, where they can charge any tariff they want? That is exactly what is happening in this agreement. There is no lowering of trade barriers in Africa, no lowering of trade barriers in the Caribbean. Instead, we have decided unilaterally we will lower trade barriers.

I have heard a lot of my colleagues talk about the poverty that reigns in Africa and in the Caribbean. My heart goes out to those people. They are suffering; they are struggling. The fact that they are working for anywhere from 35 to 85 cents an hour bears witness to the terrible lives with which they and their families are confronted. But we, in my State of North Carolina, have an awful lot of people who are struggling to make ends meet, too. We have an awful lot of people and families who have spent their lives going into those mills every day, 5, sometimes 6 days a week, 8 to 10 hours a day, to learn to do a job, to build up seniority, to provide for their families.

When we enter into these kind of trade agreements, particularly when we can't enforce provisions against transshipment, where there is a real likelihood that yarn and fabric forward will go out when this bill goes to conference and, as a result, there is a devastating economic impact on North Carolina's textile business and on North Carolina's textile workers, those people lose everything. This is not just an abstract economic proposition we are debating. We are talking about human lives. We are talking about an enormous impact on the families I represent in North Carolina.

I want my colleagues, when they come to vote, either on cloture or on the passage of this bill ultimately, if we reach that stage, to understand every single one of them has a dramatic effect on real human beings' lives across this country and in my home State of North Carolina.

IN HONOR OF SENATOR JOHN CHAFEE

Mr. EDWARDS. Mr. President, I want to say a word about my friend and colleague, Senator Chafee. Having had the honor and privilege of being his friend for the 10 months I have been here, the thing that struck me most about Senator Chafee was his kind and gentle nature. It was the sort of thing I am afraid we need more of in government in general and particularly in this body. He was a thoughtful leader who showed exactly the kind of leadership we desperately need in our country today. He was also a thoughtful, nonpartisan voice on issues that were not partisan, issues we ought to be able to work together on, issues that are good for America.

It is an extraordinary loss for me personally to lose Senator Chafee. He was someone I looked up to and admired in my brief time here. I don't know anyone here who did not love and adore him. I can certainly add my voice to those who will miss him dearly.

Ms. LANDRIEU. Mr. President, I rise this afternoon for just a few moments to add my voice to the chorus of leaders in the Senate, in Congress, and throughout the Nation who have expressed in the last 2 days their admiration and respect for our colleague, Senator John Chafee of Rhode Island.

Upon coming to this Chamber almost 3 years ago, one of the first things I did was to try to search out role models who put principle ahead of politics, who held people more important than political parties. John Chafee was such a role model.

As has been mentioned many times on this floor, as a young marine who battled at Guadalcanal, to the Rhode Island Statehouse as Governor, to the floor of this Chamber, John Chafee answered the call of his country. While he was never afraid to fight for his country or for his principles, as we all know, he knew that common ground provided a better place to find solutions than the battleground. That is one of his most outstanding legacies to this body, to his State, and to our Nation.

Throughout his public career, John Chafee was a tireless fighter for America's children and their families. He correctly perceived that the future of our country would be dictated by how we treated and nurtured our children and set about to create laws, policies, initiatives, and programs which prepared them for the future.

We were all privileged to work with him on many issues. I was, indeed, privileged to work with him on a particular issue of which he was so proud: The Adoption and Safe Families Act. I spoke on the floor about this act, of which he was a tireless advocate and leader, just a few weeks ago and said in its first year 37,000 children had been moved from foster care to a place of limbo, to a place where they were not certain anyone wanted them, to families of their own. That was a 32-percent increase over the previous year. John Chafee had a great deal to do with making that happen.

As leaders retire or pass on, as in this case, through our meager ways we try to construct buildings, highways, and bridges and name them in their honor. I am sure Senator Chafee will have the prerequisite number of bridges or buildings or statues in his honor. I think knowing him the way I did, the way we all did, the legacy of which he will be most proud is that he spent an entire career building up families, building up children, building up people. There will be millions of families built stronger and nurtured and provided for because of the great work he did, not only on the floor of this Senate but in the many ways he has served his State and Nation.

I also want to mention his legacy in regard to the environment. I find, unfortunately, few voices of reason on a subject that is so important to the future of our country. I was so proud, as we all were, to work with Senator Chafee on many issues regarding the environment. He was one of our outstanding leaders working to find a permanent source of funding for the Land and Water Conservation Fund, funding of Teaming with Wildlife programs, for wetlands, for estuaries, for endangered species. I am confident that as we continue the work in these areas, many of his dreams and aspirations on these initiatives will come to pass.

In addition, his passion for history and historic preservation was evident until the end. Fittingly, his last public appearance was at the 50th anniversary of the National Trust for Historic Preservation, just this last Thursday at the National Cathedral. In his final speech, he wisely warned of the danger to America's future if it forgets its past. It was a fitting tribute to 50 years of tremendous work, 25 years or more by a leader in this particular area.

The poet Abraham Joseph Ryan wrote:

A land without ruins is a man without memories. . . . A land without memories is a land without history.

John Chafee understood that. Today we honor his memory. Let us never forget his example as an excellent role model, a tireless crusader forfamilies and for children, and a tremendous and reasoned voice in our debate on how to balance the needs of our Nation and our world with the great need to preserve and protect our environment.

Today there is an emptiness in this Chamber that we all sense, a terrible emptiness because a grand man, a great man, has left us. We hope our work in these areas will be pleasing to him so we can carry on many of the initiatives he started.

I yield the floor.

Mr. BROWNBACK. Mr. President, I rise to speak regarding the late Senator John Chafee. I have a few comments I want to make.

I was privileged to be presiding whenever our colleagues spoke about Senator Chafee and what a great man he was. People have gone through his resume. It struck me as I was listening that it is rare for us to recognize giants when they are among us. It is generally only after they leave us that we recognize the giant of the individual.

Senator Chafee was such a giant. For all the things he has done and for which he has been recognized—his work for his country, his fighting for his country, his service in this body, his service in Rhode Island—he was truly a giant among us. Only now do we measure his true greatness because we have this void in that he is no longer with us. He was a great giant, he was a humble giant, he was a kind giant, a giant of a man, and a giant of a soul.

We can look at his desk and see the flowers—and they are beautiful flowers. As I look at Senator Chafee's desk, I see this giant oak tree. It is a soaring oak tree, and it has limbs that branch out everywhere. It has leaves that are providing shade and support and nurturing and housing for so many people. It glistens and reaches all the way across America. That is the kind of person he really is. He is a giant of that stature and that nature. The other thing about him is, he doesn't even want to be noticed that he is there. He just wants to do that. He just wants to provide this great shade and this great tree and this great support for this country. He really doesn't even want to be noticed.

When you said, my, isn't that great; he just kind of said, no, I just wanted to do this. I just wanted to help the people in this country whom I love so much, these people who are here for whom I feel so strongly. I believe that I have been given much. To whom much is given, much is expected. I am just providing what I think I ought to.

That was the kind of humble man he was.

I have my own personal experience and memory, as all of us do, about working with him. I am a newer Member, so I didn't have the length of service others did. But I was working with him on a rails-to-trails bill that had a particular problem for Kansas. This was a program he deeply loved. Yet I was having a particular narrow problem. Normally, one would think—I am a new Member and this is a program he loves; I am having a problem with it—that he would kind of quickly shuffle me to the side, that that would have been the normal experience. Yet he was the kindest man about it. He said: I know you have a problem with this. Let's see if we can work it out. He could have easily said: I really don't have time for this. I have more important things to do. But my problem was his problem. He worked with me, and he worked with me in kindness and in gentleness to try to deal with the problem I had with which, in many respects, he disagreed. Yet that was the kind of man he was. There was a great kindness about him.

In my estimation, few have carried greatness so gently as John Chafee carried it. If pride is the first sin, humility is the first grace. And John was a truly humble man. John was a man of grace. We will all miss him dearly, as we see this giant that is no longer amongst us. We loved him. God loves him. Our prayers will be with him and his family.

I only hope his memory can stay with us as long and that we can recognize that giant who was amongst us and in many respects that giant tree which is still there.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair for an opportunity to join my voice with others who have talked about our dear friend, John Chafee.

This place is sadder these last couple days because of the unexpected passing of Senator John Chafee. His death has left the Senate and the entire country mourning the loss of one of our most admired and respected elected leaders.

Senator Chafee belonged to a breed of public servants who have become a vanishing species in American politics. He was always a gentleman, even under attack while defending causes about which he felt deeply. He always stood for moderation and common sense over political extremism.

Senator Chafee was a consensus builder. He believed in bipartisan solutions as an alternative to the typically partisan bickering which is now often a feature of congressional debate.

I served for 15 years with John Chafee on the Environment and Public Works Committee—some of those years, obviously, before he became chairman, and these recent years when he was chairman of the committee. He and I were allies on many battles for a cleaner environment. Even when our approaches diverged, his commitment and leadership were always to be admired. He worked tirelessly to make our air cleaner, to keep pollutants from being dumped into our oceans, and to preserve those species that were endangered.

He had a wonderful patience factor in his being. Senator Chafee and I spent years trying, in good faith but, unfortunately, unable to reach a consensus on a Superfund reform bill. The reason we failed to reach a consensus was not for lack of effort Senator Chafee put in to try to get a Superfund bill out that was satisfactory to both sides and a majority view.

Senator Chafee played an important role in most of the major environmental bills that have come before the Senate since 1977. In standing up for the environment, he often had to stand firmly against overwhelming pressure from powerful special interest groups—not to mention, by the way, pressures from members of his own party, and certainly from some pressures on our side as well—to try and form the consensus we so much wanted to have. He was a role model for all of us in public service and for anyone considering a career in government. He voted his conscience on issues as diverse as child care, welfare reform, tobacco, and transportation, even when voting his conscience meant crossing party lines.

I was particularly proud to have Senator Chafee agree with me, when he supported my bill to require background checks at gun shows. These were not easy votes to make because most of the Members of his party felt differently about that. But he stood up for what he believed in and voted that way and spoke that way and was honored for his views. His own gun safety initiatives made him a hero to me and to all Americans. This was noteworthy, considering his wartime experiences in the face of deadly combat. In World War II, he fought with the Marine Corps in the invasion of Guadalcanal. In 1951, he reentered the service and commanded a rifle company in Korea. His political career was exemplary, including 6 years in the Rhode Island legislature, 3 terms as the State's Governor, and 3 years as Secretary of the Navy. And his four highly distinguished terms here in the Senate made him one of the most treasured figures in American politics.

In his home State, Senator Chafee was known directly as ''the man you can trust.'' No one was more deserving of that trust or worked harder to earn it. His constituents in Rhode Island and all of us here always knew where Senator Chafee stood on an issue. That was true largely because he believed in the Government's ability to help people, to make their lives better. He didn't buy into the notion that Government was the people's enemy.

Mr. President, Senator Chafee's death is an incalculable loss to the Senate and the American people. He set an example that all of us here would be proud to emulate. I know I speak for everyone in the Senate when we extend our deepest sympathies to his wife Ginny, whom we have gotten to know over the years, and his entire family. Senator Chafee's unique style and his physical and moral courage are irreplaceable. The country has lost a great public servant. We are all poorer with his demise, and we will all miss him.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Mr. President, I ask unanimous consent that I be allowed to speak for up to 15 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESCRIPTION DRUG COVERAGE FOR SENIORS

Mr. WYDEN. Mr. President, this is the sixth time I have come to the floor in recent days to talk about Medicare coverage for prescription medicine and particularly to talk about bipartisanship. I want to talk about this issue of prescriptions for senior citizens.

I am very pleased to see my good friend and colleague from Oregon in the chair. He has been extremely supportive of the effort Senator SNOWE and I have been making over these last few months to try to show that we can deal in a bipartisan manner with this issue of prescription drugs for the Nation's elderly. I think a lot of people have pretty much consigned this issue to part of the campaign trail in the fall of 2000 and that Republicans and Democrats are just going to fight about it and nothing is going to get done. But what Senator SNOWE and I have been talking about for the last few weeks is that we ought to act on this now; we ought to deal with it in this session of Congress. I thank the Chair, my friend and colleague from Oregon, because he has been very supportive.

I am going to read this afternoon, as I have done on five previous occasions, from some of the letters we are getting from seniors across the State of Oregon who are concerned about this issue. In fact, this is part of a campaign Senator SNOWE and I are making to urge seniors across the Nation, as we say in the poster, to send in their prescription drug bills. We hope they do send them to their Senators, in the hopes that we can galvanize bipartisan action in this session. It is more than a year until the next election. It would be a shame, with all of the suffering and hardship we are seeing in these letters, to have the Senate just take a pass on this issue and say, well, we will deal with it some other time and on some other day.

So I am going to, as I have on five previous occasions, read from some of these letters in an effort to try to make the case for bipartisanship and action in this session.

One senior from Lebanon wrote recently that she has about $990 per month in income. This senior spends about $175 of that for just one prescription each month. That leaves this older person a little over $700 a month on which to live. Think about what it is actually like for a senior citizen on a $990-a-month income to spend $175 of that for just one prescription each month. It is pretty clear that you just can't pay for necessities if you have to pay out of your monthly income that very large prescription drug bill.

It would be one thing if that letter were a rarity, but here is another letter I got recently from a couple in The Dalles, OR—the Chair and I have been in that community often—who has to spend something like $1,500 a year for tamoxifen, a drug used to fight cancer. It is very clear that with their other health expenses, their dental work, eyeglasses, a variety of things that Medicare doesn't cover, this couple in The Dalles, OR, is walking on an economic tightrope, having to balance food costs against fuel costs, their fuel costs against their medical bills.

So I am very hopeful that, as a result of this campaign Senator SNOWE and I are making to urge seniors to send in their prescription drug bills, we are going to have a chance to respond in this session.

I see our good friend, Senator MOYNIHAN. He has really led in the area of health research and prevention. We talked a little bit about it on Friday last. What is so important about this issue and dealing with it in this session of Congress and not in 2001—by the way, we won't have the good fortune of having Senator MOYNIHAN as a Member of this body then. The reason we ought to deal with it now is that the drugs seniors need most are preventive in nature.

Back when I was director of the Gray Panthers, which was for about 7 years before I was elected to the Congress—and I think the Chair was still practicing law at that time. It is clear that these new drugs can make a tangible, significant difference in the lives of our elderly people. I talked about a drug last week, an anticoagulant that a senior could get for just over $1,000 a year; and if they take that medicine, it can prevent strokes and debilitating illnesses that can cost more than $100,000 a year. Think of it—a modest, preventive investment in an anticoagulant drug, helping us to save $100,000 that seniors might need to treat a debilitating stroke.

I am going to be brief this afternoon. I am going to wrap up with a few additional cases.

In Portland, I was told by a constituent about her mother and father. They are 83 and 79 years old. Right now at their home in Portland, OR, they are being treated for diabetes, hypertension, and a variety of illnesses relating to arthritis. They have a monthly income of $1,600 a month. They are spending more than $400 of it on prescription medicine—25 percent of their monthly income for an older couple 83 and 79 in our home State of Oregon just for prescription medicine.

From Silverton, OR, a senior sent me a copy of all of her prescription drugs for 1 year. She spent more than $1,000. Her annual income that year was $868 a month. She is spending more than 10 percent of her income on prescription drugs.

From Astoria, OR, a couple on a modest income wrote that for the first 10 months of 1999 they spent over $5,000 on their prescription drug costs.

What Senator SNOWE and I have said is that we have an opportunity to deal with this on a bipartisan basis. We can steer clear of price controls and one-size-fits-all Federal policy. We can use a model that we know works. It is based on the Federal Employee Health Plan, one that serves all of us and our families here in the Senate.

Our bill is called the SPICE Program, the Senior Prescription Insurance Coverage Equity Act.

Our legislation now is the only bipartisan prescription drug bill now before the Senate.

Frankly, I am very confident in the bipartisan team I see assembled from the Finance Committee with Chairman ROTH and Senator MOYNIHAN.

I would like to see as a result of seniors sending in to all the Senators—as this poster says, "Send in your prescription drug bills"—I would like to see the Senate Finance Committee have the opportunity under Chairman ROTH and Senator MOYNIHAN to devise a good bipartisan proposal in this area.

Senator SNOWE and I have an approach that we think works. More than 54 Members in the Senate have voted for the funding mechanism we have proposed. We have a majority in the Senate already on record supporting the funding approach that we would take.

Frankly, when Chairman ROTH and Senator MOYNIHAN sit down, they may well have better ideas for dealing with it. It is not as if Senator SNOWE and I are saying we have the last word in terms of dealing with this issue. What we are saying is given the severity of the problem, given the stakes and the chance to do some real good with anticoagulant drugs where $1,000 a year worth of help can save $100,000 in terms of the cost of a stroke, let's go forward, and let's not let this issue become fodder for the 2000 election.

I am going to wrap up because the chairman and Senator MOYNIHAN are here. They want to talk about this important trade bill, which I also happen to support.

But I hope seniors will keep sending me copies of these bills. Just as the poster says, "Send your prescription drug bills" to your Senator. Senator SNOWE and I are collecting these.

We are going to talk again and again on the floor of the Senate about the importance of this issue.

I think we can do this with market forces. We can use an approach that gives senior citizens the kind of bargaining power that a health maintenance organization has.

What is so sad about this is these vulnerable older people, such as the ones I have described in these letters, are getting hit twice.

First, Medicare doesn't cover their prescriptions. When the program began in 1965, it didn't cover the cost of prescriptions. So there is no coverage either under Part A or Part B of Medicare for most of the Nation's seniors.

Second, the seniors end up subsidizing the big business. Big buyers can get discounts.

So you have big buyers, health plans, and a variety of big purchasers using their marketplace clout in order to get a good price, and the senior citizen in Silverton or Pendleton, the Presiding Officer's hometown, who walks in and buys their prescription off the street ends up subsidizing those big buyers. That is not right.

Senator SNOWE and I are going to continue to try as a result of our conversation with colleagues to catalyze a bipartisan effort to address this issue.

I think the question of adding prescription drugs to Medicare would be a real legacy for this session of the Senate.

I think about all of the accomplishments of Senator MOYNIHAN in this health care field over the years, what he has done in terms of graduate medical education, and what he has done in research is extraordinary. I would like to see as part of the great legacy that he leaves for his career in the Senate action on this bipartisan issue before he retires at the conclusion of this session of Congress.

Mr. President, I will be back on the floor—I know Senator SNOWE intends to as well—talking about this issue. We hope seniors send us a copy of their prescription drug bills. We are going to address this issue in a bipartisan way. I will be back on the floor soon to talk about this issue and bring other real, live, concrete cases to the Senate in hopes, as the Presiding Officer of the Senate and I have done at home in Oregon, we can work on this in a bipartisan kind of way.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise once more to thank our dear colleague, the Senator from Oregon, for his remarks and his typically self-effacing mode. He said we may not have the last word. Indeed, we may not. But we have the first word. We have to do this together; that is, both sides of the aisle. We can. He and the Senator from Maine have the votes. But we need a vehicle.

His most important point is that medication is now making that great move from treatment of disease to prevention. That is always the great advance in health for everyone. The single most important health measures that we have done in the last century have been to clean up our water supplies so that we don't get ill. These drugs do the same.

He is right. I am with him.

I yield the floor, sir.

The PRESIDING OFFICER. The Senator from Delaware.

UNANIMOUS-CONSENT AGREEMENT—H.R. 434

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 434 at 10:30 a.m. on Wednesday, notwithstanding rule XXII, and the yeas and nays be vitiated on the motion to proceed.

The PRESIDING OFFICER. Is there objection?

Mr. MOYNIHAN. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. In light of this agreement, there will be no further votes this evening.

MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New York.

IN HONOR OF SENATOR JOHN CHAFEE

Mr. MOYNIHAN. Mr. President, as have so many of our colleagues today, I rise to speak in memory of and in praise of John Chafee. He was my dearest friend for nigh onto a quarter century.

We came to the Senate together in 1977. As it happens, we were both appointed to the same committees. As we all know, the life of a Senator very much depends on the committees he or she is appointed to and the amount of time that they remain on those committees.

We were appointed to the Committee on Finance with its enormous range of jurisdiction, and to the Committee on Environment and Public Works. Only recently at that point had the ''environment'' come up and made its way onto the title of what had previously been a Public Works Committee. We worked together on both committees from the very first. These are exceptional committees. Possibly because of the great common interests that are dealt with, they have been exceptionally bipartisan committees.

I point out at this point we have three measures before the Senate: The trade legislation which we will go to tomorrow morning, the tax extender legislation which we must get to, and the Medicare and Medicaid amendments to the Balanced Budget Act of 1997. All three of these measures come to the floor with practically unanimous agreement. Two cases were unanimous; on another, just a voice vote with two dissents.

John Chafee, ranking Republican, as Senator ROTH, the chairman, would agree, was part of this consensus development from the first. He was instinctively a man of this body, and the national interests always came first. I can recall an occasion on the Committee on Environment and Public Works when we took a vote and afterwards John said: Hold it, hold it, did we just have a vote along party lines? We haven't had one of those in 15 years on this committee.

It happened we had one, and that moment passed.

He was deeply involved in environmental matters—the world environment as well as our own. I tended to emphasize public works, and we had a remarkably reinforcing and effective time, or so we like to think. Everyone has commented on his work.

On the Finance Committee—which not everyone understands is, in fact, also the health committee of the Senate—we deal with Medicare and Medicaid. John did a great many things. The one that was so typical and wonderful was to transmute gradually—over a quarter century—the Medicaid program from a program of health insurance for persons on welfare under title IV(a) of the Social Security Act such that we confined the population who could benefit to those persons who were dependent on welfare and added another incentive to dependency. He slowly moved this program to a health insurance program for low-income Americans. It was brilliantly done, not least of all because he never said he was instituting it; it just happened at his insistent and consistent behest.

The last great matter we addressed together was the effort to postpone, so as not to reject, the Comprehensive Test Ban Treaty. He was deeply involved with that. It is perhaps not easily accessible to others now that he was of a generation—I suppose I was of that generation—who can very arguably be said to owe their lives to the atom bomb. He was with marines already in the Solomon Islands. I was in the Navy; I would soon be on a landing craft. We were all headed for Honshu. The war would go on but then stopped because of that terrible, difficult, necessary decision President Truman made.

It was the most natural thing in the world for someone such as John Chafee to spend the rest of his life, in effect, trying to ensure that such a terrible act never was repeated. He was deeply attached to maintaining the essentials of the antiballistic missile program and believed that a rejection of the test ban treaty would then lead to our insisting on that. He did not prevail, but he was witnessed, as he was all of his life, as a man of valor, a man of courage, and such a decent man.

He was chairman of the Republican Conference. Around 1990, I believe, he was challenged, and openly—legitimately, in politics of our type—as too liberal. It was a very close contest, decided by a single vote. Another colleague of his from that side of the aisle, of course, thought the honorable thing to do was to tell him in advance that he would be voting against Senator Chafee's role as party conference chairman and came over to John on the floor and told him this. It was, in effect, devastating news. John's reaction was, ''Oh, dear.'' Never a word of acrimony. He told me about it smiling the next day. He was hurting a bit, but he smiled even then.

He was so wide in his concerns and his empathy and his sympathy. I can only say all of us deal with special interests; we all have special interests. But the only one I can identify with him was the Rhode Island Jewelry Manufacturers. Never did a trade bill pass through our committee without a little essay by him on the subject of the necessity to protect this important sector of the American economy; and he did, and without difficulty. If he wanted it, we wanted him to have it.

I close with the lines of W.B. Yeats, a wonderful poem, ''The Municipal Gallery Revisited,'' which concludes:

Think where man's glory most begins and ends.
And say my glory was I had such friends.

We, all of us, share in that as we contemplate our loss, a loss which is more than made up by the great glory of his friendship. Liz and I send our deepest love to Ginny and to his family.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, a life lived richly is the phrase that comes to my mind as I think of John Chafee: A life lived richly, not of the material things of this world but in the magnificent service he provided from the time before he was old enough to vote until his dying day; a life lived richly in the love and honor and respect of those who knew him best, many of whom are Members of this Senate, but love and honor and respect that came from his fellow citizens of Rhode Island and from men and women all across the United States of America.

I knew John Chafee for only 18 years. The word ''only'' and the phrase ''18 years'' do not generally go together, but even that relatively extended period of 18 years was only a modest fraction of the life of service performed by John Chafee. As a U.S. Marine before his 21st birthday, and through many battles and two wars, as Governor of the State of Rhode Island, as Secretary of the Navy, and for almost 23 years as a Member of this body, John Chafee dedicated his life and his entire career to the people whom he represented in the State of Rhode Island and, beyond that, to the grand concept that is the United States of America.

Unlike my eloquent colleague from New York who just spoke, I only served on a committee of this body with John Chafee for a relatively short 2 years. But I do remember vividly the work of several years in his office here in the Capitol in what seemed at the beginning almost a forlorn hope to balance the budget of the United States and to put this Nation and its economy on the sound footing that has been so evident in our economic successes over the course of the last few years.

As was the case with his work on the Committee on Environment and Public Works, that effort was a bipartisan effort, with most of its time being spent with the cochairmanship of the Senator from Louisiana, Mr. BREAUX. It was not at first successful, but it was the immediate parent of the success that this body, the entire Congress, and the President of the United States had in 1997 with a result that was greater than the expectations of any of those who began that lonely struggle or who were in on its completion. It might accurately have been said that success would not have taken place as dramatically or as soon without the dedicated efforts of John Chafee.

On a lesser but still significant level because, of course, each one of us does represent a particular constituency, I can remember vividly the way in which John Chafee, a Senator from Rhode Island, would make requests of me in connection with each of the year's Interior appropriations bills I have managed, softly and diffidently, but with a persuasive manner and reasoning and a persistence that lasted until the conclusion itself—a conclusion that, if my memory serves me correctly, was always favorable to Rhode Island and to the specific requests John Chafee made, partly on the merits of the case and partly because of the respect and love I held for John Chafee, along with all of my colleagues.

He did love his small State. He cared deeply about its people and carried the burden and responsibility of representing them both lightly and well. John Chafee, not surprisingly for a former member of the U.S. Marines with many battles and much conflict under the flag of his country in his early life, was not afraid to be alone even in this body and even in contentious times when he believed, as he often did, that his position was the right one. Equally, he was not afraid to join with others to test his ideas against the ideas of others and to reach a conclusion that could command the respect and the votes of a majority of this body.

He was a highly successful Member of the Senate, and so we will miss him, even though, in a way, some can envy a man who, continuously from the age of 18 or 19 until his dying day, was permitted to serve his country in so many ways and in so vital a fashion.

Now we are constrained to bid him farewell. But he goes with our admiration, our respect, and our prayers.

Mr. ABRAHAM. I will speak briefly with respect to the passing of our dear colleague, John Chafee. He was a great friend to all Members, those who had the chance to work with him closely across the board from one side of the Chamber to the other. I think all felt the highest degree of respect and admiration for him. Today I want to express to his family my deepest condolences and those of my family.

A lot of great things have already been said about John Chafee's remarkable career both in public service and in service of his country, his academic achievements, as well as his professional achievements. I will have many memories of him. Probably one that will be the most vivid in a certain way is something I took note of after reading a book about the Korean war which talked about John Chafee. The book made reference to his very distinguishable way of walking, the sort of commanding stride with which he moved among the troops. After I read that, I started noticing the way he walked from one building to another of the Senate, and I noticed the same absolutely distinguishable stride with which he carried himself; somebody who was in command, somebody who moved purposefully forward to meetings, to the floor of the Senate, to attain the objectives which he had for his State and his country.

Certainly, anyone who had the chance to work with him, whether in the context of the issues that came before the Finance Committee or the Committee on Environment and Public Works, knows he brought to the Senate a great sense of dedication, commitment, integrity, and principle. We worked together quite a bit last go-round on the highway transportation bill. I remember on numerous occasions appearing in his office to make the plea for my State of Michigan. While he didn't have the ability to provide each and every Member with everything we wanted, he certainly put the time in to make sure he did the best for all of us in our States. That was his way of addressing all the things that came before him.

It will be hard to move forward without him because we will all miss him, and I think as a collective chamber we will miss his leadership.

As I said to his family and those close to him, I offer both my condolences but, at the same time, I express how much admiration I had for him and how I hope all Members can draw from our experiences with Senator Chafee some insights into how to make sure we conduct ourselves as Senators, with integrity and with the willingness and ability to work together to achieve great things. He certainly achieved many great things in his career, and I hope other Members can come close in our careers to achieving what he did.

Mr. MURKOWSKI. Mr. President, when I first came to this body in the Congress that convened in January of 1981, I was the 100th Senator. There is no question about that. There is a certain degree of humility associated with that prized and coveted position.

As a consequence of the reality that we came in with 16 other Republican

Senators in what was somewhat of a revolution associated with President Reagan, some suggested we came in on his coattails. Those of us who prided ourselves on our accomplishment were not ready to attribute totally that responsibility to President Reagan, but nonetheless we were fortunate to be here.

In the determination of how this place works, as a freshman Senator, one quickly has an opportunity to participate in the selection of committees. Being the 100th Senator, you take what is left and what you get. I found myself having perhaps made the choice, but clearly with the realization that while my first choice was the Finance Committee, my realistic choice was the Environment and Public Works Committee. At that time, Senator Chafee had taken over the chairmanship of that.

One of the interesting reflections is not too many of the Republicans, in spite of their seniority, knew what chairmanships were all about because it had been a long dry spell in the Senate —several decades.

In any event, I had an opportunity to serve with the late Senator John Chafee. As a junior member of that committee, I was quickly immersed in the technical aspects of such issues as emissions, NO_X, CO_2, clean water, clean air, the role of the Environmental Protection Agency, and a host of other eventualities that suggested that clearly there was an institutional memory associated with many of these issues. I found, much to my relief, that the late Senator Chafee was a patient, caring, and intensely dedicated Member of this body. I know many Members have discussed his military role, his individual and personal sacrifice on behalf of our Nation in serving. Having dedicated his life to public service, I think it is a reflection of the type of American and unique Senator he was.

During that time on his committee, I was privileged to participate in significant events that were charged to his responsibility. Looking back on those instances, they were really opportunities to get to know and understand and appreciate the contribution Senator John Chafee made to the Senate.

Later, I had an opportunity to serve with him on the Republican health care task force. Even later, finally, after some 14 years in this body, I did get my first choice of committees, the Senate Finance Committee. John Chafee was on that committee as a senior member. John took over an obligation to coordinate the Republican health task force. John studied in depth the details of health care. He probably knew them better than anyone in this body. He cared very deeply about bettering the lives of those he met. I remember the morning meetings when he went into great depth on the health care issue and how we could meet our obligations to provide reasonable health care for the Nation. It was a disputed area of concern relative to a certain amount of partisanship, which occasionally raises its head around here. Nevertheless, John was above that; he was dedicated and committed to trying to accomplish something meaningful in that area. He never gave up, as he didn't on many of the issues about which he cared so deeply.

So as we look at John's desk and the flowers that adorn it, it is with fond memories that we think of a fine American and an outstanding Senator with whom we were privileged to serve for a number of years—in my own case, for some 19 years. I treasure that time with John Chafee. I shall miss his contribution to this body. We had certain disagreements from time to time on issues, as Senators do in this body, but I always respected where he stood. I always knew where he was coming from. He was a gentleman whose word was his bond.

Coincidentally, recently I made a telephone call to a friend who has been ill for some time. He was known to many in this body. The gentlemen's name is Duffy Wall. He was a friend to many Members of this body. Duffy Wall passed away yesterday, as well, at about 4:15 in the morning. I talked to his wife Sharon, who was kind enough to phone me and advise me that Duffy had passed on. It was kind of memorable that, in her reflection, she said, ''You know, Frank, Duffy was a great friend of John Chafee's.'' She believed that Duffy wanted to go with Senator Chafee. So wherever the two are today, obviously, they have affection and great friendship. As Senators, we suffer the loss of our dear friend John Chafee. I thought it fitting to add that there was another dear friend of ours and John Chafee's who also passed away yesterday morning.

Mr. President, I extend to Mrs. Chafee and her family my sincere sympathy. I also extend to Sharon and the Wall family our sympathy for the loss of Duffy Wall.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I offer my condolences to Ginny and the entire Chafee family for the loss of her husband, their father, and our friend, John Chafee.

When a great person leaves us, we know we can't replace him and we know have suffered the loss in a very personal way. All of us feel that loss with John Chafee. It is not just the loss of a Senator, it is someone now who is missing in our lives, and we have to deal with that in the way human beings have to deal with losses of this kind. Also, when a great man leaves us, when great people leave us, oftentimes they will put on the television screen the date of birth and the date of passing, and they did that in this case with John Chafee: 1922–1999. He was 77 remarkable years, Mr. President.

I had a conference in Omaha with young people recently on the question of how to save money. They were juniors and seniors. I have done this for 2 or 3 years in a row. Warren Buffett, a rather wealthy man, was our keynote speaker. He talked for a couple of minutes, and then he took questions. Two years ago, a young person said to him, ''Mr. Buffett, I mean no disrespect, but aren't most wealthy people jerks?'' Warren answered, ''No, that is not my experience. Wealth just allows you to be a little more of what you already were. If you start off a jerk and become wealthy, you can be a real big jerk and hire lawyers for $1,000 an hour and sue all your friends. On the contrary, if you start off a good person and you acquire wealth, you can be a really good person.''

That was John Chafee. John was born into wealth and privilege. At the age of 19, after the United States was drawn into World War II after being attacked by Japan, he volunteered, but not for any special duty; he was an enlisted man in the U.S. Marine Corps. Among other places, he had to fight in one of the bloodiest battles in Guadalcanal. Then he went back to college, and the Korean conflict broke out, and there was no question that had he chosen to, he could have figured out a way not to go. But he went in this time as an officer commanding a rifle company.

I have had many occasions where I would say, ''I was so impressed, John, by what you did''; and, of course, all of us who knew him would know he would blush and change the subject. He did not want praise. He didn't want people to think he was anything special. He did this all as a consequence of the way he was. He didn't think he deserved any special attention at all.

Again, taking my Warren Buffett experience, in talking to the young people, he didn't talk about wealth. He said: You are born with three things—intelligence, endurance, and the opportunity to build integrity. You have to decide how much intelligence and endurance you are going to use. You build integrity every single day with the choices you make. Sometimes you make good choices, and sometimes they are bad.

I would scratch my head if somebody asked me to give them a choice John Chafee made that was bad, which produced inferior integrity. And I don't just mean the issues. I am impressed by what he did on the environment. He believed we needed to leave the world better than we found it. He knew we had to think beyond our lifetimes in order to do that. I was impressed by his courage on public safety. I never have and never would go as far as he did on gun control, but it took guts to do that. All of us who watched him do that had to admire that.

On health, there were always other people—the disabled and people who were born with less than he was born with. He didn't just fight with them, and he knew it wasn't for political reasons. He cared about the lives of other people. So I was impressed with what he did on all the issues. But the thing that moved me the most and causes me to say that I will miss this man and I will note his absence is that I consider what the world is like without him, and I think it is less without him. So it was considerably more as a consequence of the choice he made to be kind, the choice he made to be considerate, the choice he made to respect other people. That is a choice we all have to make. Are you going to be kind? You are not born with an attitude of kindness. You have to choose it. You have to choose to be considerate and respectful.

Again, I have been here for 10 years. I can't think of a single moment even when he was provoked that John Chafee ever said an unkind word about anybody. He would disagree. He would argue. I never heard him say an unkind word. That was a choice he made. It didn't come as a result of him being a man or a human being. It was a choice and a decision that he made. It was old school values, in my opinion.

As a consequence of that, I find myself wondering what life is going to be like without John Chafee.

I hope his wife and family understand what a big impact he made. John caused not just improvement in our laws, improvement of our country, and improvement of our world but improvement of our values.

For those of us who fall short of the mark that John Chafee laid down with his behavior, there is an ideal of a goal that he set for ourselves.

I hope as we debate and make decisions about how we are going to treat one another that we remember the way John Chafee treated us. I think if we remember that, it is likely that we will treat not just one another better but as a consequence of that treatment this will be a better place, and the country will be a better place, and the world will be a better place as well.

I yield the floor.

Mr. CRAPO. Mr. President, I rise today to join so many of my colleagues in making a few remarks about our colleague, Senator John Chafee.

As we all know, many of us have risen over the last 2 days to speak of our memories of Senator Chafee and the friendships we have developed with him over the years. Because of my short time in the Senate, my experiences with Senator Chafee are more limited, but I have had ample time to observe Senator Chafee as the good, kind, and honorable man so many of my colleagues have spoken about in the last couple of days.

I can recall when I first came to the Senate and we were organizing. I wondered what my committee assignments would be. John Chafee, knowing of the interest of Idaho in natural resource issues, came to me and said I ought to try to get on the Environment and Public Works Committee which he chaired. I said: I would love to work with you on that committee. When the appropriate opportunity to make a selection came along, I ultimately did, make that choice and had the chance to work with Senator Chafee.

John Chafee represented what is good about American politics. Senator Chafee was a man of the highest principles and utmost integrity. The Washington Post referred to him as ‘‘a gentle but stubborn champion.’’ That is exactly right.

I was remarking to one of our colleagues as we walked back from the Capitol Building after a matter of business earlier today that John was always friendly and helpful and was such a kind man, but he was also a firm man in championing the principles he advocated. I believe that description of him, ‘‘a gentle but stubborn champion,’’ is a very apt way to describe him.

John Chafee was deeply committed to the issues he undertook to fight for, and, at the same time, he was always a gentleman and a statesman. Senator Chafee was instantaneously a likable person. Part of his charm was he was entirely unassuming and friendly.

Perhaps what made his demeanor more unique was he had enjoyed such an impressive career. Senator Chafee clearly worked hard to make a difference throughout his entire life. His career accomplishments were extraordinary, but then he was an extraordinary man. These things have already been said, but I want to repeat them.

He served in World War II at Guadalcanal and Korea. He was a graduate of Yale University and Harvard Law School and served in the Rhode Island House of Representatives and as Governor of Rhode Island. In 1969, he was appointed Secretary of the Navy and served in that post for 3½ years during one of the most critical times in our history.

Senator Chafee's life's work has been furthering the issues he believed would make America a better place. His commitment to the issues and his good nature are what I will miss the most.

I knew if I needed to talk with someone who would have a unique and heartfelt perspective on an issue we were debating, all I had to do was sit down at his desk, where there are now flowers, and talk to John. He would have thought through the issue carefully and whatever his position on it, he would have a good, balanced, thoughtful reason for it.

I particularly want to share some of the personal experiences I have had with him.

Being from a different part of the country—I come from the West and John comes from the Northeast—it is no secret those of us from different parts of the country often approach environmental issues and some of the natural resource issues in a different way, and that was true about John and me on some of the issues. We found a lot of common ground where we worked together, and we found those issues where we were different.

What was always remarkable to me is that he was always willing to work with me to try to understand my point of view and to see if the issues and concerns of the people I represent in Idaho could be squared with the issues and the concerns of the people he represented in Rhode Island, and if the interests of the Nation could be brought together in a solution that found common ground, that was one of his strengths.

I note he always engaged the people in our hearings in a friendly fashion that made them feel at home and at ease. He took a direct interest in legislation and in each committee member's personal interest in legislation which was important to them.

He personally worked closely with me on legislation on which we found we could develop common ground. It is because he chose to make his life one of service that so many people today stand in honor of him. America truly lost one of our great leaders. I believe he stands as a tremendous example to all of us of the kind of difference you can make if you are willing to put your life into the service of the people of this country.

John Chafee truly did that. On behalf of all of us in America, I say thank you.

ACADEMIC ACHIEVEMENT FOR ALL ACT

Mr. GORTON. Mr. President, I rise to express my gratitude and my appreciation to the House of Representatives for an action it took last week, under the leadership of Congressman GOODLING, chairman of the House committee dealing with education. The House has now passed the Academic Achievement For All Act, or Straight A's, a concept and a crusade in which Mr. GOODLING and I have joined as sponsors in our respective Houses of Congress. It is so dramatic a reform, so dramatic an expression of understanding on the part of the majority of the Members of the House of Representatives, that those who provide educational services for our children—their teachers and principals and superintendents and elected school board members, not to mention their parents—ought to be empowered to use the money they receive from the Federal Government for that education in a way they deem best, given the circumstances of each child and of each of the 17,000 school districts in the United States.

That philosophy is very much at variance with the standard philosophy of Acts of Congress, which increasingly over the years have told our schools in detail what they must teach, how they must teach it, and how they must account for it if they are to receive a modest percentage of their budgets that Congress itself supplies to them.

In order to pass Straight A's through the House of Representatives, Mr. GOODLING and his supporters had to scale it back to a 10-State experiment.

Even at that level, I believe it will be a dramatic reform, not simply because it provides this trust in our local educators and parents and school board members, but because it carries with it a requirement for accountability that is a real bottom line requirement; that is to say, in order to take advantage of Straight A's, a State must have a system of determining, through some type of examination or a test, whether or not it is actually improving the educational achievement of the children under its care. It is only results that count in Straight A's and not how you fill out the forms or what the auditors say you have done with the money.

I believe we in the Senate will take up Straight A's in that form, or in some similar form, sometime during the winter or very early spring of the year 2000 when we deal with the Elementary and Secondary Education Act. But I am delighted that we have made such progress already in the House of Representatives.

Simply to ratify some of my remarks, I want to share with my colleagues comments that we have received from across the country about this dramatic change in Federal education policy:

> I am pleased to offer my support to the Academic Achievement for All Act. This proposal, if enacted into law, would serve to complement the Commonwealth of Virginia's nationally-acclaimed national education reforms.

Governor James Gilmore of Virginia.

> A new relationship between the states and Washington, as reflected in Straight A's, can refocus federal policies and funds on increasing student achievement.

Governor Jeb Bush of Florida.

> Straight A's would allow us to use federal funds to implement our goals while assuring taxpayers that every dollar spent on education is a dollar spent to boost children's learning.

Governor John Engler of Michigan.

> I'm not a Democrat or a Republican. I'm a superintendent. And what GORTON is trying to do would be the best for our kids.

Superintendent Joseph Olchefske, Seattle public schools.

> The Straight A's Act will allow those closest to the action to make decisions about education in their own local school district.

Robert Warnecke, Washington State Retired Teachers Association.

> Senator GORTON's Straight A's proposals is well-conceived with great flexibility for states and districts. It would help to focus federal resources where they are most needed.

Janet Barry, Issaquah Superintendent and 1996 National Superintendent of the Year.

> I look forward to the debate in the Senate on these changes with particular delight because the House of Representatives' majority has already said that this is the direction in which we ought to lead the country.

(The remarks of Mr. CRAPO pertaining to the introduction of S. 1795 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. CRAPO. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST— S. 761

Mr. ABRAHAM. Mr. President, I would like to propound a unanimous consent request.

I ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to the consideration of Calendar No. 243, S. 761, under the following limitations:

That there be 1 hour for debate equally divided in the usual form, and the only amendment in order to the bill be a manager's substitute amendment to be offered by Senators ABRAHAM, WYDEN, and LOTT.

I further ask unanimous consent that following the use or yielding back of time and the disposition of the substitute amendment, the committee substitute be agreed to, as amended, the bill be read a third time, and the Senate proceed to a vote on passage of S. 761 with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President, there are a number of people on this side of the aisle who reluctantly have asked that we object to this matter with the caveat that it is very clear that there should be something worked out on this in the near future. We hope that will be the case. In the meantime, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ABRAHAM. Mr. President, I appreciate the perspective offered by the Senator from Nevada.

I want to acknowledge, while he is still on the floor, the continuing interest that I have in trying to work to a resolution on this issue because I think it is one, as is evidenced by the bipartisan nature of both the original bill and the proposed substitute, where there are, in fact, Members on both sides of the aisle who have an interest in proceeding in this area. So I hope we will be able to reach some kind of an agreement soon.

I have a little bit more I want to say about the legislation before we adjourn, but I thank the Senator from Nevada for his expression of a continuing interest to work together.

THE MILLENNIUM DIGITAL COMMERCE ACT

Mr. ABRAHAM. Mr. President, we originally introduced this legislation, which is entitled ''The Millennium Digital Commerce Act'' on March 25. I introduced it with Senators WYDEN, MCCAIN, and BURNS.

The Senate Commerce Committee held a hearing on the legislation May 27. Subsequently, the legislation passed unanimously by the Senate Commerce Committee on June 23.

President Clinton's administration indicated a statement of support. That was issued on August 4.

I think that sequence of events suggest that there is a strong degree of support for this type of legislation.

The same week the President expressed his support, we attempted to pass the bill in the Senate by unanimous consent. That was just before the August recess.

Concerns were raised by two Members of the Senate about the possible impact of this bill on consumer protection.

Since that time, we have worked to try to incorporate some of the changes and some of those considerations into the legislation to address consumer protection concerns while still providing the tremendous benefit of electronic signatures to the public which was intended by the legislation. I believe the substitute which we would propose to offer does just that.

As was the case with the legislation which passed the Senate Commerce Committee, the substitute will promote electronic commerce by providing a consistent framework for electronic signatures in transactions across all 50 States.

That framework is simply a guarantee of legal standing in each of those States. Such a guarantee will provide the certainty which today is lacking and will encourage the development and the use of electronic signature technology by both businesses and consumers.

The legislation addresses the concerns raised by the use of electronic records and electronic transactions. It will allow people to secure loans on line for the purchase of a car, home repair, or even a new mortgage by giving both companies and consumers the legal certainty they need.

However, the bill now includes safeguards to guarantee that electronic records will be provided in a form that accurately reflects the original transaction and which can be reproduced later. These safeguards are taken directly from the completed version of the Electronic Transactions Act, the ETA.

This legislation also recognizes that there are some areas of State law which should not be preempted. These are specifically spelled out and excluded in this bill. They include but are not limited to wills, codicils, matters of family law, and documents of title.

As almost anyone in this country knows who has paid the slightest degree of attention to developments in the areas of sales, or economy, or the markets, or watches their television and follows the commercials to the slightest degree, we are entering an age in which electronic commerce is rapidly serving as a substitute for traditional means of commercial activity.

Many individuals and companies, as well as others who wish to engage in electronic commerce and other electronic exchanges, are suffering because there is no uniform supporting legal infrastructure in the United States which could provide legal certainty for electronic agreements.

The problem is simple. We have about 42 States that have adopted their own basic version of how to authenticate documents that are entered into through electronic transmission. They are all different. Because of those differences, the potential exists for transactions and contracts entered into online through electronic commerce to be challenged in court because the laws of one State might be different from the laws in another. We wish to end that problem.

The States are moving as fast as they can to address it through a uniform act which has been developed by the States. And slowly but surely we believe that act will be adopted by State legislatures and signed into law by Governors. But until the States get to that point, we need an interim solution so that electronic commerce can continue to expand and people can continue to engage in electronic commercial activity.

The current and prospective patchwork of law and regulation cannot support, and in some cases is incompatible with, the e-commerce market's demanding requirements that are flowing from the interstate and international nature of Internet commerce.

The uncertainty and certainly the existence of all these different State laws provides a lot of uncertainty, and the resulting risks that stem from that harm America's businesses and consumers because it puts a limit on the amount of commercial activity that is capable of being handled in this fashion.

I think it further hinders the broad deployment of many innovative products and services by American companies, and, of course, in turn limits the choices for those who are prospective consumers, whether it is in business-to-business transactions, or business-to-consumer transactions.

The point is this legislation cannot continue to wait. We have tried on several occasions already to bring it to the floor. We tried to pass it through unanimous consent agreements. We have tried to negotiate. So far we have been unsuccessful.

The concepts and the goals behind this move toward electronic commerce and authentication are not a subject of controversy. Obsolete statutes that exist in State law should not be permitted to bar innovation and economic growth.

This is no longer a States rights issue because we are dealing with otherwise enforceable contracts involving interstate commerce. Thus, passing legislation that contains crucial provisions providing interstate commerce certainty for electronic agreements, in my judgment, and I believe in the judgment of a lot of others, should be a top priority for the Congress before leaving this year.

The legislation which we are talking about has been endorsed by numerous organizations and companies who are trying to expand e-commerce in our country.

They are: America Online, American Bankers Association, American Council of Life Insurance, American Electronics Association, American Financial Services Association, American Insurance Association, Business Software Alliance, Charles Schwab, Chase Manhattan Bank, Citicorp, Coalition of Service Industries, Consumer Bankers Association, Consumer Mortgage Coalition, Digital Signature Trust Co., DLJ Direct, Electronic Check Clearing House, Electronic Industries Alliance, Equifax, Fidelity, and Ford Motor.

Also, the Financial Services Roundtable, Gateway2000, General Electric Company, GTE, Hewlett-Packard, IBM, Information Technology Association of America, Information Technology Industry Council, Intel, International Biometric Industry Association, Internet Consumers Organization, Intuit, Investment Company Institute (ICI), Jackson National Life, Keybank, Microsoft, National Association of Manufacturers, National Association of Mutual Insurance Companies, National Retail Federation, NCR Corporation, New York Clearing House Association L.L.C., PenOp Inc., Securities Industry Association, Telecommunications Industry Association, U.S. Bancorp, U.S. Chamber of Commerce, Wachovia Corporation, Zions First National Bank, and Zurich Financial Services Group.

The fact that the legislation passed the Commerce Committee unanimously, the fact the President has endorsed it, should be a signal to everybody that this is legislation that does have the kind of bipartisan backing that should allow it to move fairly quickly through the Senate. Yet it is not. It has been since June that we have tried to do this. We have yet to have a successful completion of our efforts.

There are many issues involved in electronic authentication that can wait for the market to mature for resolution. Contractual certainty cannot. The absence of certainty with respect to electronic authentication contracts creates a huge impediment to the development of e-commerce both here and internationally.

Before I finish on this issue, I am still very much interested in working with people who have objections. I hope we can work something out in the next day or two, but I do think we need action this year. If we can't work something out in the next day or two, it will certainly be my intention to ask the majority leader to see if we can't file a cloture motion on a motion to proceed to this legislation so we can work it out. It seems to me if people have substantive differences we ought to be able to enter into a consent agreement to afford the opportunity for a limited number of amendments on this legislation so those differences can be worked out on the floor. To hold the bill up and prevent proceeding to the bill jeopardizes our ability to get anything done this year. I appeal to those who raised objections to work with Members in the next day or two to find an amicable as well as hopefully a fairly quick process by which we can bring the legislation through the Senate.

Mr. LEAHY. Mr. President, along with many of my colleagues on both sides of the aisle, I have long been an advocate of legislation to enable and encourage the expansion of electronic commerce, and to promote public confidence in its integrity and reliability. In that bipartisan spirit, many of us worked together in the last Congress to pass the Government Paperwork Elimination Act, which established a framework for the federal government's use of electronic forms and signatures. I believe that the same spirit, and the same process of listening to the people involved and the experts on the issue, and of reasoned deliberation, could yield an electronic signatures and electronic contracting bill that would benefit our entire national economy.

Sadly, however, the bill before us today is not the product of such a process, and it is not such a bill. Where the Government Paperwork Elimination Act was an object lesson in bipartisanship, the bill before us today is an object lesson in special interest politics.

This bill has a history. If we listen to that history, we may hear some of the voices that have been silenced in the rush to bring it to the floor. So let me recount it briefly.

On May 27, the Commerce Committee held hearings on Senator ABRAHAM's original S. 761. Remarkably, for a bill that proscribed rules for business-to-consumer transactions as well as business-to-business transactions, neither the Federal Trade Commission, nor state consumer protection authorities, nor any consumer advocates, were invited to testify at those hearings. Sometimes it seems that we forget that the purpose of commerce is to provide goods and services for consumers.

In June, neglecting the concerns of silent consumers, the Commerce Committee reported a bill of quite unprecedentedly sweeping preemptive effect. The Commerce-passed bill would have overridden untold numbers of federal, state and local laws that require contracts, signatures and other documents to be in traditional written form.

I was concerned that the Commerce-passed bill was federal preemption beyond need, to the detriment of American consumers. For example, the bill would have enabled businesses to use their superior bargaining power to compel or confuse consumers into waiving their rights to insist on paper disclosures and communications, even when they do not have the technological capacity to receive, retain, and print electronic records.

On August 10, I asked the FTC whether S. 761 as reported by the Commerce Committee could undermine consumer protections in state and federal law, and how the bill might be improved. The FTC responded by letter dated September 3 that, while it shared the broad goals of S. 761, the bill's potential application to consumer transactions raised questions that needed to be addressed:

> For instance, would the bill preempt numerous state consumer protection laws? Would borrowers be bound by a contract requiring that they receive delinquency or foreclosure notices by electronic mail, even if they did not own a computer? Would consumers who had agreed to receive electronic communications be entitled to revert to paper communications if their computer breaks or becomes obsolete? Would consumers disputing an electronic signature have to hire an encryption expert to rebut a claim that they had 'signed' an agreement when, in fact, they had not? What evidentiary value would an electronic agreement have if it could easily be altered electronically?

The FTC concluded that further clarification was needed to provide protection for consumers while allowing business-to-business commerce to proceed unimpeded.

Consumer and privacy advocates, consumer lawyers and law professors echoed the FTC's views. Among the many national organizations opposed to the bill: Consumer Union, Consumer Action, Consumer Federation of America, National Consumer Law Center, National Association of Consumer Agency Administrators, National Consumers League, National Center on Poverty Law, National Legal Aid and Defenders Association, National Senior Citizens Law Center, Privacy Rights Clearinghouse, United Auto Workers, U.S. Public Interest Research Group, and Utility Consumers Action Network. They wrote to the Senate on September 9, that, while consumers can potentially benefit from receiving information electronically, ''the broad-brush approach of S. 761 . . . would eviscerate important consumer protections in state and federal law, as well as interfere with a state's rights to protect its own consumers without imposing any protections against misuse, mistake, or fraud.''

The Commerce Department also came to oppose S. 761 as reported by the Commerce Committee, because of its spillover effect on existing consumer protection and regulatory standards. In a letter this month to the Chairman of the House Judiciary Committee, the Commerce Department noted its concern that enactment of S. 761 was desired by some precisely because of this spillover effect.

Faced with a bill that proclaimed an objective that I agreed with, but also presented serious dangers for consumers, I committed to working with Senator ABRAHAM and others to rewrite S. 761 in a manner that would benefit businesses and consumers alike. For many weeks, we strove to do the work that the Commerce Committee had failed to do, meeting with business and consumer representatives in order to make sure that we understood and fully addressed their concerns.

I was and still am proud of what this consultative process produced. The Leahy-Abraham compromise bill satisfied the primary and valid goal of the business community, which was to ensure that contracts could not be invalidated solely because they were in electronic form or because they were signed electronically. The bill also promoted competition and innovation by proscribing that regulations would not discriminate between reasonable authentication technologies. At the same time, the bill left in place essential safeguards protecting the nation's consumers.

As of September 28, then, the prospects looked good for a bipartisan compromise that furthered the interests of industry and consumers alike. The prospects looked even better two weeks later, when a bipartisan majority of the House Judiciary Committee adopted the Leahy-Abraham compromise bill as a substitute to the radically preemptive H.R. 1714.

That was the history of S. 761, until today. Senator ABRAHAM is now seeking unanimous consent to pass a totally different bill, a bill that is more preemptive and potentially more harmful to consumers than the bill reported by the Commerce Committee in June. How did this reversal happen? I as one of the architects of the compromise was not consulted. But that is not what troubles me.

What troubles me is that, so far as I know, the FTC was not consulted; the Commerce Department was not consulted, and consumer groups were certainly not consulted. I do not know who was consulted, but I do know that, whatever process created this new bill, it was not a bipartisan process, it was not an open process, and it completely bypassed the Committee system.

What is in this mystery bill, which was unveiled less than 24 hours ago, and which we are now asked to pass by unanimous consent? A very small part of this bill focuses, as did the Leahy-Abraham compromise, on validating electronic contracts. A much larger part of the bill is devoted to electronic records, which is broadly and vaguely defined in such a way as to encompass any text on any computer anywhere.

The bill provides that if any law, federal or state, requires a record to be in writing, an electronic record satisfies the law. I frankly do not know what that means. My fear is it means that if a patient purchases medication from ''drugstore.com,'' the listing of dosage instructions and counter-indications on the ''drugstore.com'' web site could be deemed to satisfy the FDA's safety labeling requirements. To take another example, what happens if the homeowner cannot access an email from the bank threatening foreclosure because her computer is broken?

The bill also sweeps unduly broadly in its provisions on electronic signatures. Under this bill, if any law, federal or state, requires a signature, an electronic signature is deemed to satisfy that law. The term ''electronic signature'' is defined to include any electronic sound, symbol or process used with intent to sign and associated with an electronic record. This captures everything from the most secure, encrypted, state-of-the-art authentication technology to my typing my initials at the end of an email.

This one-size-fits-all legislative approach substitutes for the uniqueness and reliability of a human signature a wide range of unreliable and unauthenticable technologies, without providing any of the protections that, say, credit card owners have. To take an old-fashioned example, where parents used to sign their children's homework, this approach would suggest that the teacher should be satisfied by the sight of the parent's initials attached to an email. The ramifications are much more serious when we consider the prospect of children using insecure technologies to bind their parents to electronic transactions that they cannot afford.

There are other problems with this bill as well. It has a new and complex provision regarding what it calls ''transferable records,'' in effect, electronic negotiable instruments. This provision has never been considered by any Committee of the House or Senate, or to my knowledge by any banking regulators. Maybe the sponsors of the bill are prepared to take us through it in detail on the floor today. If not, we would be derelict in our duty if we brought into force a whole new legal regime that we have neither scrutinized nor understood.

Then there is the issue of preemption. State laws include a large number—usually thousands—of references to signatures and writings. A recent review of the Massachusetts General Laws uncovered over 4,500 sections dealing with or requiring a signature or writing, and I understand that this is typical among the states.

In some cases, it may be appropriate to reform such requirements to allow electronic means rather than paper and pen. In other cases, it may be appropriate to maintain paper requirements or, if the law is to be changed to allow electronic means, to tailor the law to maintain the legislative intent, as for example in the case of consumer protection provisions requiring conspicuous terms. But aside from a handful of specific exclusions, the new S. 761 does not attempt to differentiate among state laws, nor does it concern itself with the reasons why state legislatures required a signature or writing in the first place; rather, S. 761 simply wipes these thousands of state laws off the books.

We have heard a lot of late about the integrity of state law. We have heard that providing federal protections for battered women would unduly intrude on the states' authority. We have heard that allowing federal authorities to prosecute hate crimes would violate state sovereignty. It is interesting to note that the principal sponsor of this bill is also a cosponsor of S. 1214, the Federalism Accountability Act, which aims to protect the reserved powers of the states by imposing accountability for federal preemption of state and local laws.

I myself have always taken a more pragmatic line about the pros and cons of federal versus state law. But it is ironic to hear Members who speak the rhetoric of states' rights on a regular basis to turn around and advocate a bill that would preempt thousands of state laws ranging from the common-law statute of frauds to California's recent enactment of a modified version of the Uniform Electronic Transactions Act.

Finally, one important provision that we included in the Leahy-Abraham compromise is missing from this bill—a provision that asked the FTC to study the effectiveness of federal and state consumer protection laws with respect to electronic transactions involving consumers. That kind of scrutiny would be all the more valuable in the context of this new bill, which would radically change the legal landscape by stripping consumers of a host of current legal protections.

It is a disturbing testament to the power of special interests that the reporting provision at the end of this bill one-sidedly demands a report on what it calls ''barriers to electronic commerce,'' while creating no provision for any investigation of the effects of its new regime on the nation's consumers.

I do not consent to passage of S. 761 in its current form.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Ohio.

Mr. VOINOVICH. Mr. President, I take this opportunity to address in the Senate some matters that I believe are important as we approach the end of the fiscal year 2000 appropriations cycle.

Foremost among my concerns is the increasing role the Federal Government plays in our everyday lives in the area of education, and the budgetary impact on our nation that results from assuming this and other roles more properly and constitutionally the responsibilities of State and local government.

I have witnessed during my first year in the Senate a number of positively amazing and enlightening experiences that have made me feel proud to be able to serve in this body and at this level of government. Yet my pride is increasingly tempered by subjects which have caused me great concern.

You needn't be an experienced member of the Senate, a Governor, or public official to appreciate the dire situation our nation faces with regard to the solvency of Social Security and Medicare. However, as public officials and stewards of our Nation's finances, I believe that we must be all the more vigilant of this reality since every decision we make at this level in some way will impact whether we as a nation will be able to honor the commitments we have made.

I wish to highlight some recent examples as to how we in the Senate have, I believe, erroneously prioritized with respect to our federal responsibilities.

For example: Mr. President without a doubt, improvement in the quality of education is a top concern for parents, teachers, and employers across the country—in fact, improvement in the quality of education ought to be our number one priority as a nation.

As with all issues, when discussing education we must ask two key questions: 1. What level of government is responsible? 2. How are we going to pay for it?

Since the introduction of the Elementary and Secondary Education Act of 1965 by President Johnson, the Federal Government has gradually been increasing it's involvement in education.

Rather than the role of a very junior partner in education reform, the President has offered a number of initiatives throughout his term that would substitute the U.S. Department of Education for most local school boards.

Mr. President, we recently spent hours and hours of debate on the subject of education in the context of the fiscal year 2000 Labor, HHS, and Education Appropriations Bill.

We allocated $2.3 billion more on education in this year's Senate bill compared to fiscal year 99, a more than 6% increase at a time when we have a problem balancing the budget.

Yet, the primary responsibility for our nation's education doesn't and shouldn't reside in Washington.

The text of the Constitution and the Federalist Papers indicate that responsibility for our Nation's education resides with State and local government—not the Federal government.

And indeed, States have upheld their constitutional responsibilities and have responded to our education needs by moving forward with appropriate reforms and spending.

State spending in education has increased dramatically in the past decade.

According to a recent report by the National Governors' Association and the National Association of State Budget Officers entitled The Fiscal Survey of States, elementary and secondary educational now accounts for slightly more than one-third of State general funds spending and about one-quarter of State spending from all funding sources.

The report goes on to say that:

> . . . elementary and secondary educational has been the largest state expenditure category, with almost $182 billion in total expenditures in 1998. Its growth has outpaced the growth in total state expenditures, with overall state expenditures increasing by 6 percent between 1997 and 1998 and elementary and secondary education spending increasingly by 7.2 percent.

Governors' recommended budget for fiscal year 2000 include an average proposed increase for elementary and secondary education of 4.8 percent, and an average proposed 4.3 percent increase for post-secondary education.

During my two terms as Governor of Ohio, we increased education spending from our General Revenue Fund by $2 billion, or 50.7 percent. The amount of Basic Aid per pupil rose during my term from $2,636 to $3,851, or 46 percent—and a 56 percent increase in per-pupil expenditures was measured for the poorest one-fourth of Ohio's schools.

In addition, under my administration, State funding support for capital improvements for Ohio's primary and secondary school buildings totaled more than $1.56 billion. We have wired every classroom for voice, video, and data to the tune of $525 million.

We have increased accountability and established higher classroom standards in Ohio and are implementing a more stringent set of academic requirements that students must meet to earn a high school diploma.

In particular, State funding for Ohio's youngest children has grown tremendously. Child care spending alone increased by 681 percent under my administration!

I am especially proud of what we have done in Ohio with the Head Start program. Ohio is now the national leader in State support for Head Start. When I began as Governor, State support for Head Start in fiscal year 1990 was $18.4 million. In fiscal year 1998, State spending for Head Start had increased to $181.3 million, making Ohio the first State in the nation to provide a slot for every eligible 3- or 4-year-old child whose family desires quality early care and education services.

The first question we should ask is: whose responsibility is education—and mostly it is a State and local responsibility. The second question is: how are we going to pay for it?

A few weeks ago I spoke on the Senate floor in response to the President's announcement of a $115 billion surplus in fiscal year 1999, indicating that it would be wonderful if it were only true.

The President, however, neglected to mention during his remarks in the Rose Garden that OMB also projected an on-budget deficit.

The only way the President could claim an on-budget surplus was by using the employee payroll taxes coming into the Social Security trust fund.

During the recent debate over the Labor, HHS, Education appropriations bill, I heard a lot of talk in the Senate with respect to funding for schools, funding for 100,000 new teachers, funding for teacher training.

We spent a great deal of time discussing Federal class size initiatives.

Additional debate on the role of the Federal Government in providing funding for school construction is likely to follow in future debates.

The reality is, however, that many States already have class size initiatives in place—I know of at least 20 States that are doing this now. Additionally, it is also reported that at least 28 States have already proposed major initiatives in the area of school construction in their fiscal year 2000 budgets.

Governors of at least 13 states have already recommended using a portion of their tobacco settlement funds for education. Ohio itself would commit $2.5 billion of their tobacco settlement funds for school facilities under Governor Taft's plan.

You will recall that the States fought hard to keep the President from using any of the tobacco settlement funds recovered from State-initiated lawsuits for his own priorities in his budget.

Instead, many States are exercising responsible leadership by recommending these funds be used to honor a number of key state priorities and commitments such as education.

My point is this: The Federal Government is not the school board of America. The Members of the U.S. Senate are not members of the school board of the United States. The responsibility for education is at the state and local level, where they are in much better financial shape than the Federal Government, as I've illustrated.

We have a staggering $5.6 trillion national debt—a debt that has grown some 1,300 percent in the last 30 years. I remind my colleagues, with each passing day, we are spending $600 million a day just on interest on the national debt—$600 million a day!

Most Americans do not realize that 14 percent of their tax dollar goes to pay off the interest on the debt, 15 percent goes to national defense, 17 percent goes for non-defense discretionary spending, and 54 percent goes for entitlement spending.

We are spending more on interest payments today than we spend on Medicare and Congress needs to spend more money on Medicare as we all know—now!

When my wife and I got married in 1962, interest payments on the dept were at 6 cents on the dollar. If we would have only had to pay 6 cents on the dollar last year, Americans would have saved $131 billion dollars. We would have saved $229 billion if we didn't have to make any interest payments on the debt last year!

Meanwhile, States have been both cutting taxes and running true surpluses—a reality that does not exist here in Washington.

For fiscal year 1999, my last budget as Governor, Ohio had a budget surplus of $976 million, and operates a rainy day fund containing $953 million—up from 14 cents in 1992. And because of good management and a strong economy, we provided an almost 10 percent across-the-board reduction this year for those filing their 1998 returns.

As I said earlier, the States are in a much better position to spend money on education than we are, yet we continue to advocate more Federal spending—more than last year, more than the year before—dipping into our nation's pension fund.

As it is, the Federal Government does have responsibilities to the American people to uphold the promises we have given to them in Medicare, Social Security and national security—promises that we are desperately struggling to maintain.

We need to begin establishing just what our priorities are as a legislative body, and where our responsibility lies.

One instance in the context of the Labor, HHS, Education legislation we just completed where I believe the Federal Government has been particularly irresponsible is in the almost $1 billion decrease in funding for the Social Services Block Grant originally written into the bill.

As you know, States rely on the Social Services Block Grant to provide crucial services to low-income individuals, including children, families, the elderly and the disabled.

However, funding for this block grant has been cut repeatedly the last few years, despite the Federal commitment made in the 1996 welfare reform agreement with the States. Congress and the administration guaranteed that funding would be maintained at $2.38 billion each year from fiscal year 1997—fiscal year 2002.

Instead, funding for the Social Services Block Grant for fiscal year 2000 has only reached the level of $1.05 billion.

Yet, in the appropriations bill we have somehow managed to increase funding in a number of other areas, including a $2 billion increase above the fiscal year 1999 funding level of $15.6 billion for the National Institutes of Health.

In the process of providing for the 13 percent increase in funding for the National Institutes of Health, we have cut the Social Services Block Grant, which provides for the most vulnerable and underserved in our population, by 45 percent. How do we reconcile these kinds of decisions based on our responsibilities here in Washington and with previous commitments to the States?

I should add I believe many of the services provided to young children under the Social Services Block Grant serve as preventive medicine for a number of ailments they may encounter later in life—ailments the Federal Government funds the National Institutes of Health to research.

In other words, if we do not take care of those kids during that prenatal period, they will develop many of the things that the National Institutes of Health are trying to take care of, like high blood pressure and diabetes. Why not take care of it earlier? That does not make sense to me—$2 billion more, and cutting the Social Service Title 20 block grant. It does not make sense.

Before we go off spending more money on new education initiatives, such as 100,000 new teachers and financing for new school construction, we should at the very least make it a top priority to honor the Federal Government's funding commitment to the Individuals with Disabilities Education Act—currently the largest unfunded mandate by the Federal Government on the states. IDEA currently contains a provision authorizing the Federal Government to fund up to 40 percent of the services provided under Part B of the act. Since its enactment, however, the Federal Government has only appropriated funds for 10 percent of these services—only 10 percent.

In the meantime, we must begin taking a serious look at the billions of dollars we spend on education programs to determine whether these programs are effective, and whether the Federal Government should have a role in these programs in the first place.

According to GAO, there are 560 different education programs administered by 31 Federal Government agencies. I have asked GAO to formulate methodology that determines the overall effectiveness of Federal education programs. Currently, there is no methodology to do this.

Wouldn't it be nice to sit down and look at what we are doing as a country in education, identify the programs definitively, look at those that are really making a difference, get rid of those that are not, and put the money in the programs that are successful?

It all gets back to the fact that at each level—Federal, State and local—we all want value, which is getting the best product for the least amount of money, and we all want positive results.

To this end, we must work with State governments as partners to come up with a system where we can maximize our dollars to make a difference in the lives of our children.

Rather than enact more Federal mandates and raid Social Security to increase Federal spending on State and local responsibilities—we should be giving states greater flexibility to innovate and tailor their education programs to the unique needs of their children.

Congress has been talking about drawing a line in the sand, committing not to raid any more from the Social Security trust fund to pay for increased spending for Federal programs. Yet we recently learned from CBO Director Dan Crippen that the FY2000 spending bills that we've been laboring over are already eating up billions of the Social Security surplus—even while our promises to maintain the integrity of the trust fund still hang in the air! I have not forgotten the lockbox I had on my desk, and many other Members of the Senate, putting a firewall between spending and the Social Security trust fund.

When faced with honest choices, the American people will not accept the Federal Government paying for programs that are primarily the responsibility of the States at the expense of sacrificing our commitment to Social Security and Medicare, as well as to numerous other commitments the Federal Government has made under law and under the Constitution of the United States of America. That is absolutely unacceptable, and the American people have a right to be upset. We need to be doing better.

As the appropriations legislation is finalized in negotiations, I hope that we in the Senate can inject some common sense into the dialog, taking into account our priorities as a Federal legislative body, and weighing the extent to which we should or should not maintain our involvement in various programs that are more properly the responsibility of State and local government. Even now, however, I fear we are primarily driven to compete with the President for political oneupsmanship in the area of education which, while ranked first as a national priority according to polling data, is not the primary responsibility of State and local government.

Medicare, Social Security, and national security—these are the primary challenges before us. As fiscal stewards of our Nation's economy, we cannot afford to continue maintaining our involvement in so many other areas, spending at such a pace as we have and it has been enormous. We must define our responsibilities. We must prioritize. We mut exercise fiscal discipline and restraint and insist that we work harder and smarter and do more with less.

The current budgetary path that we are on is both dangerous and irresponsible and downright misleading.

I am sad to say that many of the fiscal year 2000 appropriations bills with which we have invested so much of our time, despite our best intentions, are flawed by the use of budgetary gimmicks that I cannot help but say overshadow the labors of so many of my colleagues who are shouldered with the difficult task of constructing a budget that both meets all of the perceived demands placed on this body and keeps us out of the red. That is why we must prioritize.

In the meantime, I cannot condone the sleight of hand that allows us to postpone making the kind of tough choices that are required to balance our books, and because of that I have voted against a number of these spending bills—bills that, to be sure, would benefit Ohio in a number of ways.

We have committed over $17 billion in emergency spending in these bills, and that does not even count the billions of dollars of other spending that's being hidden. We are plastering—and I mean plastering—this spending over with something called directed scoring. Instead of using CBO numbers—that is, the Congressional Budget Office numbers—we have been selectively using numbers from the Office of Management and Budget, the agency for which the President is responsible, whenever they allow us to spend more.

Incidentally, does anyone remember the last time we did not have an emergency for which we had to account? Let's end the charade and admit we use emergency spending to avoid the balanced budget spending caps and, while we are at it, admit we are spending every dime of the projected on-budget surplus in fiscal year 2000.

When I go back to Ohio, people say to me: What about the tax reduction? You guys are having a tough time just balancing the budget.

I want to say this: If we do not have substantially more revenues in fiscal year 2000 than what is currently projected, CBO will announce in January that we are using Social Security to balance the 2000 budget. We have to pray the dollars come in a lot more, but if the dollars do not come in more, then CBO is going to announce in January this budget uses Social Security.

It is time to bite the bullet and make the hard choices. Nobody else but us can exercise the fiscal responsibility that is needed. If we cannot do it now, with the lowest unemployment we have had and a booming economy, the question I have is, When will we ever be able to do it? If we fail to make the tough choices now, we will soon be facing a train wreck that will make it impossible for us to respond to the needs specifically delegated in the Constitution to the Federal Government and fail to keep the sacred Social Security and Medicare covenant we have with the American people. Let's get back on track so when we return to Washington at the start of the new millennium, which is just around the corner, we can say with confidence we have, indeed, been the stewards of a government the American people deserve.

I yield the floor.

NOTICE OF OBJECTION

Mr. WYDEN. Mr. President, today I have informed the Minority Leader in writing that I will object to any motion to proceed or to seek unanimous consent to take up and pass H.R. 2260, the Pain Relief Promotion Act of 1999, when it is received from the House.

BRING ON THE WRITE STUFF

Mr. BYRD. Mr. President, according to recent results from the 1998 National Assessment of Educational Progress (NAEP), only about a quarter of fourth, eighth, and twelfth graders write well enough to meet the ''proficient'' achievement grading level, and a measly one percent of students attained the ''advanced'' grading level. Approximately six out of ten pupils reached just the ''basic'' level—defined as ''partial mastery'' of writing skills by the National Assessment of Educational Progress exam.

What startling results, Mr. President! How do we expect our nation to forge ahead in a global economy with a ''partial mastery'' of writing skills? From the typical thank-you note to a cover letter for a job opening to a simple exchange with friends over the Internet, writing is a skill essential to everyday existence, no matter what path in life one may choose to pursue. The power of words and the blending of thoughts in a succinct, clear, and grammatically correct manner is often a daunting endeavor, and one that is too easily dismissed with a poor letter grade or a critical evaluation by a mentor or coworker.

The path to becoming a solid writer is a long and arduous road. I continue to improve my writing skills each day through reading and through practice. As the old saying goes, ''practice makes perfect.'' Well, Mr. President, this dictum does not just apply to perfecting your baseball swing or your tennis serve. It is an edict we all ought to follow with a little greater will and fortitude in all of life's quests.

What makes someone a better writer? Lots of things, I say, but perhaps a strong foundation is the most critical, and often the most neglected, step along the way. Today's children are ripe with great ideas and creativity, but without proper instruction and strong reading skills, bright promise fades into fractured thoughts and misspelled words on paper. Based upon the results of the 1998 NAEP test, students who did well tended to be those who planned out their compositions and had teachers who required practice drafts. Moreover, youngsters from homes filled with books, newspapers, magazines, and encyclopedias had higher average scores.

So often, we hear students gripe about burdensome summer reading lists, and even more shockingly, we witness parents encouraging their children to buy the ''Cliff Notes'' of the book to provide them with the basic character and plot summaries while avoiding the hefty task of reading the novel from cover to cover. What nonsense! Perhaps, the greatest benefit of a child's summer agenda is reading. Skimming and reading shortened versions or the so-called ''Cliff Notes'' rob children of wonderful learning experiences.

Reading is an essential ingredient to enhancing one's writing skills. From enjoying the morning newspaper over a cup of coffee to reading an educational magazine or a novel, one can benefit greatly from this endeavor. Given the expansive English vocabulary, there is much to learn from different styles of writing. How often does a person come across an unfamiliar word or phrase in reading? Quite often, I suspect. But how often does the person actually interrupt their reading to consult the dictionary for the word's definition or origin? Not very often, I venture to guess. An appreciation of the soaring majesty of the English language is the key to unlocking one's own writing skills and letting one's own words take wing.

I am pleased to be a cosponsor this year of S. 514, legislation to reauthorize the National Writing Project. The National Writing Project (NWP) is the only federally funded program that specifically works to improve a student's writing abilities and provide professional development programs in the area of writing instruction for classroom teachers. This program operates on a ''teachers teaching teachers'' model, meaning that successful writing teachers conduct workshops for other teachers in the schools during the school year to improve overall writing skills. It is critically important that our nation have skilled teachers in the area of writing, and this program goes straight to the heart of that. West Virginia is home to three federally funded National Writing Projects, including programs at West Virginia University and Marshall University.

The act of writing is itself an art, one which not only requires creativity, but one that can also glisten with beauty. Calligraphy, for example, is a beautiful form of writing, very popular in formal invitations and for special events. And while most of us are not gifted calligraphers by nature, we all ought to take a little more pride in the presentation of our writing. A beautifully worded poem or essay can be easily tarnished by poor penmanship. Conversely, good penmanship can enhance the overall beauty of one's writing by simple finishing touches, beginning with the dotting of our i's and the crossing of our t's. It is very easy to become sloppy in one's writing, but we must not forget that appearance does matter, and a good essay that is illegible will have little impact.

Sadly, today's young generation seems to be more happily occupied with a telephone in one hand and a television remote control in the other than with a book or a newspaper. I fear that the entertainment luxuries of the twentieth century have misplaced the old-fashioned art of reading and writing. Computer electronic mail too often has become a replacement for a hand-written thank-you letter to a deserving colleague or peer. Reading from Plutarch's ''Lives,'' Homer's ''The Iliad'' and ''The Odyssey,'' or a Shakespearean play has taken a backseat to video games and Hollywood movies.

I challenge all of us to set higher standards in our reading and writing skills, and to help our young people do the same. Put down the remote control and pick up a good book. Write a poem for a friend on her birthday. Poetry is a wonderful gift—such heartfelt thoughts on paper tend to last much longer than a piece of clothing exhibiting the latest fashion trend. Embrace the English language and take pride in each word that you place on paper—after all, your writing is a reflection of you.

I yield the floor.

CBO COST ESTIMATE FOR S. 1377

Mr. MURKOWSKI. Mr. President, at the time Senate Report No. 106–177 was filed to accompany S. 1377, the Congressional Budget Office report was not available. I ask unanimous consent that the report which is now available be printed in the CONGRESSIONAL RECORD for the information of the Senate.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 6, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1377, a bill to amend the Central Utah Project Completion Act regarding the use of funds for water development for the Bonneville Unit, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Hadley, who can be reached at 226–2860.

Sincerely,

BARRY B. ANDERSON,
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, OCTOBER 6, 1999

S. 1377: A BILL TO AMEND THE CENTRAL UTAH PROJECT COMPLETION ACT REGARDING THE USE OF FUNDS FOR WATER DEVELOPMENT FOR THE BONNEVILLE UNIT, AND FOR OTHER PURPOSES

(As ordered reported by the Senate Committee on Energy and Natural Resources on September 22, 1999)

CBO estimates that enacting S. 1377 would have no impact on the federal budget. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no significant impact on the budgets of state, local, or tribal governments.

S. 1377 would authorize the appropriation of up to $60 million for the Secretary of the Interior to acquire water rights for instream flows and to complete certain other projects, if such funds are not needed for the projects currently authorized by the Central Utah Project Completion Act. Based on information from the Department of the Interior, CBO expects that the department will use all available funds for purposes authorized under current law, assuming appropriation of such amounts. Thus, the bill would neither affect funds already appropriated nor increase the total amount of funds authorized to be appropriated for the Central Utah Project.

The CBO staff contact is Mark Hadley, who can be reached at 226–2860. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CBO COST ESTIMATE FOR S. 986

Mr. MURKOWSKI. Mr. President, at the time Senate Report No. 106–173 was filed to accompany S. 986 the Congressional Budget Office report was not available. I ask unanimous consent that the report which is now available be printed in the CONGRESSIONAL RECORD for the information of the Senate.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 18, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 986, the Griffith Project Prepayment and Conveyance Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Megan Carroll (for federal costs), who can be reached at 226–2860, and Marjorie Miller (for the state and local impact), who can be reached at 225–3220.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, OCTOBER 18, 1999

S. 986: GRIFFITH PROJECT PREPAYMENT AND CONVEYANCE ACT

(As reported by the Senate Committee on Energy and Natural Resources on October 6, 1999)

SUMMARY

S. 986 would direct the Secretary of the Interior, acting through the Bureau of Reclamation (Bureau) to convey the Robert B. Griffith Water Project (Griffith Project) to the Southern Nevada Water Authority (SNWA). The transfer would occur after the SNWA pays about $121 million to the Bureau to meet its outstanding obligations under an existing repayment contract with the federal government. A substantial portion of the Griffith Project is located on federal land administered by the National Park Service (NPS) and the Bureau of Land Management. Under S. 986, the SNWA would retain rights-of-way across this federal land at no cost.

CBO estimates that enacting S. 986 would yield a net increase in asset sale receipts of $112 million in 2000, but that this near-term cash savings would be offset on a present value basis by the loss of other offsetting receipts over the 2001–2033 period. Because the bill would affect direct spending, pay-as-you-go procedures would apply. CBO also estimates that implementing S. 986 could cost up to $50,000 a year in appropriated funds over the 2001–2004 period. S. 986 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The project conveyance, and any costs associated with it, would be voluntary on the part of the SNWA. The bill would impose no costs on any other state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 986 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars				
	2000	2001	2002	2003	2004
CHANGES IN DIRECT SPENDING [1]					
Estimated Budget Authority	−112	9	9	9	9
Estimated Outlays	−112	9	9	9	9

[1] S. 986 also would authorize additional spending, subject to appropriation, of up to $50,000 a year over the 2001–2004 period.

BASIS OF ESTIMATE

For this estimate, we assume that S. 986 will be enacted early in fiscal year 2000. Based on information from the SNWA and the Bureau, CBO expects that the authority will make the prepayment during fiscal year 2000, and that the formal project conveyance will be completed during fiscal year 2001.

Direct Spending. S. 986 would direct the Secretary of the Interior to sell the Griffith Project to the SNWA, in exchange for a one-time payment of about $121 million. The sales price would be adjusted to reflect any additional payments made by SNWA before the project transfer is completed. CBO expects the prepayment to occur during fiscal year 2000 and estimates that those receipts would be offset by the loss of currently scheduled repayments of about $9 million a year between 2000 and 2022 and $6 million a year between 2023 and 2033.

Spending Subject to Appropriation. Presently, the SNWA bears the full cost of operating and maintaining the Griffith Project. In addition, pursuant to an agreement with the Bureau, the SNWA will absorb all administrative costs associated with the conveyance. Thus, implementing this provision would not affect discretionary spending. The NPS currently collects about $50,000 a year from the SNWA to offset the costs of administering and monitoring rights-of-way within the Lake Mead National Recreation Area. Under S. 986, the SNWA would maintain rights-of-way across these federal lands at no cost after the conveyance is completed. CBO estimates that implementing this provision would require a net increase in amounts appropriated to the NPS of about $50,000 annually to continue administrative activities related to monitoring these rights-of-way.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

	By fiscal year, in millions of dollars									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	−112	9	9	9	9	9	9	9	9	9
Changes in receipts	Not applicable									

Under the Balanced Budget Act, proceeds from nonroutine asset sales (sales that are not authorized under current law) may be counted for pay-as-you-go purposes only if the sale would entail no financial cost to the government. Based on information provided by the bureau, CBO estimates that the sale of the Griffith Project as specified in S. 986 would result in a net savings to the government, and therefore, the proceeds would count for pay-as-you-go purposes.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 986 contains no intergovernmental mandates as defined in UMRA. In order to receive title to the Griffith project, the bill would require the SNWA to assume all costs associated with the project and to prepay their outstanding liability to the federal government. The conveyance would be voluntary on the part of the authority, however, and these costs would be accepted by it on that basis. Further, the authority is already responsible for all costs of operating and maintaining the facility. The bill would impose no costs on any other state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE-SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

Estimated prepared by: Federal Costs: Megan Carroll (226–2860). Impact on State, Local, and Tribal Governments: Marjorie Miller (225–3220).

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CBO COST ESTIMATE FOR S. 1211

Mr. MURKOWSKI. Mr. President, at the time Senate Report No. 106–175 was filed to accompany S. 1211, the Congressional Budget Office report was not available. I ask unanimous consent that the report which is now available be printed in the CONGRESSIONAL RECORD for the information of the Senate.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 5, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1211, a bill to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Mark Grabowicz (for federal costs), who can be reached at 226–2860, and Marjorie Miller (for the state and local impact), who can be reached at 225–3220.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, OCTOBER 5, 1999

S. 1211: A BILL TO AMEND THE COLORADO RIVER BASIN SALINITY CONTROL ACT TO AUTHORIZE ADDITIONAL MEASURES TO CARRY OUT THE CONTROL OF SALINITY UPSTREAM OF IMPERIAL DAM IN A COST-EFFECTIVE MANNER

(As ordered reported by the Senate Committee on Energy and Natural Resources on September 22, 1999)

SUMMARY

S. 1211 would authorize the appropriation of $175 million for a program to control the salinity of the Colorado River upstream of the Imperial Dam. Under current law the Congress has authorized the appropriation of $75 million for this activity. The bill would direct the Secretary of the Interior to prepare a report by June 30, 2000, on the status of the comprehensive program for minimizing salt contributions to the Colorado River.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 1211 would result in additional discretionary spending of about $6 million over the 2000–2004 period. Enacting this legislation would not affect direct spending or receipts, so pay-as-you-go procedures would not apply. S. 1211 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs to match the federal funds authorized by this bill, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1211 is shown in the following table. Of the $75 million authorized under current law about $36 million has been appropriated through fiscal year 2000. Assuming that annual appropriations for this program continue near the 2000 level of $12 million as anticipated by the Department of the Interior, the balance of the $75 million authorization would not be exceeded until fiscal year 2004. Thus, CBO estimates that the additional $100 million authorized by S. 1211 would be appropriated in 2004 and in the following years. We estimate that the report required by the bill would cost less than $500,000 in fiscal year 2000. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars				
	2000	2001	2002	2003	2004
Spending subject to appropriation					
Spending Under Current Law:					
Budget Authority/Estimated Authorization Level [1]	12	12	12	12	2
Estimated Outlays	12	12	12	12	6
Proposed Changes:					
Estimated Authorization Level	[2]	0	0	0	10
Estimated Outlays	[2]	0	0	0	6
Spending Under S. 1211:					
Estimated Authorization Level [1]	12	12	12	12	12
Estimated Outlays	12	12	12	12	12

[1] The 2000 level is the amount appropriated for the Colorado River salinity control program for that year. The estimated levels for fiscal years 2001 through 2004 represent the use of the remaining authorization under current law.

[2] Less than $500,000.

Pay-as-you-go considerations: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1211 contains no intergovernmental or private-sector mandates as defined in UMRA. State and local governments might incur some costs to match the federal funds authorized by this bill, but these costs would be voluntary.

Estimate prepared by: Federal Costs: Mark Grabowicz (226–2860). Impact on State, Local, and Tribal Governments: Marjorie Miller (225–3220).

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

OPPOSITION TO FRAMEWORKS LANGUAGE IN CONFERENCE REPORT TO H.R. 2670

Mr. AKAKA. Mr. President, I rise today in opposition to a provision in the Commerce, Justice, State and the Judiciary conference report, which Congress passed a few days ago, and which the President vetoed yesterday. As the ranking member of the Senate Subcommittee on Proliferation, International Security, and Federal Services, with jurisdiction over the census, I am disappointed the conference report requires that decennial census activities be appropriated by specific program components, known as frameworks.

Appropriating by framework for the decennial census has never been done before and would cause serious management problems for Census 2000. According to Census Director Kenneth Prewitt, such a change in funding practices would come at the same time that Census 2000 activities are at their highest. Past congressional direction on the allocation of funds by framework has been in report language, which afforded Congress the ability to guide spending without hamstringing operational management of the census.

Director Prewitt noted in a letter to the Chairman of the House Subcommittee on the Census, ''Congressional approval in the form of a reprogramming would be required for any movement of funds between decennial program components.'' This would necessitate obtaining clearance by the Department of Commerce and the Office of Management and Budget, as well seeking congressional approval. The Senate version of H.R. 2670 did not include this onerous provision, which will seriously impede the Census Bureau from shifting needed funds in a timely manner. ''A decennial census is, by its nature, an unpredictable exercise. Decisions must be made quickly and frequently adjusted to adapt to ever-changing conditions in the field,'' Director Prewitt said.

In its budget presentation, the Census Bureau designed eight frameworks for major decennial activities, such as management, field data collection, address listing, automation, Puerto Rico and Island areas. The frameworks have been used as strong guidelines rather than strict appropriation limits because funds may need to be shifted quickly between frameworks to cover unexpected contingencies. Historically, the Census Bureau has been able to move funds among its frameworks—it is inappropriate and damaging for Congress to mandate reprogramming at this time.

Any delay in census operations in order to accommodate having to wait for affirmation of a reprogramming request will seriously degrade the quality and completeness of the resulting population count that must be delivered by December 31, 2000. The President vetoed the conference report yesterday, and it is my hope this provision, retained from the House version of the bill, will be deleted. Mr. President, I ask unanimous consent to print Director Prewitt's letter in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, DC, October 15, 1999.

Hon. DAN MILLER,
Chairman, Subcommittee on the Census, Committee on Government Reform, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN MILLER: On Tuesday, October 12, 1999, you requested a summary of the Census Bureau's views on the comparative versions of the Commerce, State, Justice and the Judiciary Appropriations bills for FY 2000. There is language in the version of the bill passed by the House that is of significant concern to the Census Bureau.

In the House version of the FY 2000 appropriations bill, funding is provided by specific program components (known as frameworks). Consequently, Congressional approval in the form of a reprogramming would be required for any movement of funds between decennial program components. This is a dramatic departure from past practices and takes place at precisely the time when Census 2000 activities peak, when the need for program flexibility is most crucial. If the need to obtain Congressional approval significantly delays the transfer of funds, Census 2000 operations could be compromised. The companion legislation passed by the Senate does not contain this restrictive provision and would permit the timely transfer of funds, if necessary, to attain the results we are all working so hard to achieve.

In the past, formal reprogramming has only been required to shift funds between different programs, accounts, and bureaus within the Department of Commerce. This has allowed Congress to exercise its oversight responsibility without constricting the operational management of Bureau activities. The proposed House provision would trigger a time-consuming reprogramming process, in addition to the bill's provision that mandates a delay of at least 15 days for Congressional review.

As you know, the Census Bureau has spent literally thousands of hours developing a carefully analyzed Operational Plan, which we believe can achieve the most accurate and complete census possible within the parameters required by the recent Supreme Court decision requiring a complete enumeration of all census non-respondents.

A decennial census is, by its nature, an unpredictable exercise. Decisions must be made quickly and frequently adjusted to adapt to ever-changing conditions in the field. One obvious example of the need for this type of flexibility is in dealing with our new construction program. The Census 2000 New Construction procedures perform a vital role in address list development after all other addressing processes have concluded. If the volume of new construction listing work is significantly higher than anticipated, funds must be rapidly shifted from other frameworks to cover the costs of investigating areas, listing households, and preparing maps and other materials for enumeration. Reprogramming could inhibit the timely completion of listing operations and jeopardize the quality and completeness of the population count in states with high rates of new construction.

The census has the potential to be a civic ceremony that celebrates participation and responsibility. It is up to all of us to ensure that it is. Congress has consistently expressed and demonstrated a commitment to ensure the most complete and accurate census possible.

I appreciate your support and commitment in making Census 2000 a success.

Sincerely,

KENNETH PREWITT,
Director.

THE AFRICA TRADE BILL

Ms. SNOWE. Mr. President, I rise today to voice my objections to the Africa trade bill. I have listened to how this bill will help those countries on the African Subcontinent, and I support that goal. However, Mr. President, what I don't support is watching mills close in my State, and around the country, and having to tell these people that they no longer have jobs because cheap labor overseas has either caused their company to go out of business or move overseas.

At the same time, I don't believe that this legislation will serve the intended purpose of helping to raise the living standards of Africans through increased trade and economic cooperation between the United States and African countries. In order for this to occur, workers need to be paid well, treated well and have a suitable workplace. Workers in many countries in both Africa and the Caribbean Basin are subjected to abusive conditions at work while their governments remain uninvolved, or, with government complicity. This legislation does not have the provisions necessary to guarantee that the workers in these countries receive the benefits of U.S.-Africa trade.

In addition, being from Maine, I understand the importance of balancing the needs of loggers with the desires of environmentalists. This legislation would result in increased rates of logging, which has been cited as the greatest threat to Africa's remaining native forests. As only eight percent of Africa's forests still exist in large undisturbed tracts, forcing African nations to give even more access to foreign logging companies could be fatal to these vital tropical forests.

In the last 57 months, from December 1994 to September 1999, the U.S. apparel industry has lost 309,000 jobs. The textile industry has lost 128,000 jobs, for a total of 437,000 American jobs lost.

My home state of Maine has seen its fair share of lost jobs as well. Since 1994, 26,500 Mainers have been told that they no longer have a job to provide for them and their families. I have heard some of my colleagues state that this legislation is about jobs. Well, I am unwilling to trade well-paying jobs with benefits for lower paying ones—but that's precisely what's happened under our ill-conceived trade agreements. As the trade deficit and globalization of U.S. industries have grown, more quality jobs have been lost to imports than have been gained in the lower-paying sectors that are experiencing rapid export growth. Increased import shares have displaced almost twice as many high-paying, high-skill jobs than increased exports have created.

It was my concern about the impact of foreign labor on the American job market, Mr. President, that led me to oppose passage of the North American Free Trade Agreement (NAFTA) in 1993. Unfortunately, NAFTA has become a trade agreement whose provisions are not adequately enforced—to the detriment of the United States, our industries, and our workers.

I am in agreement with my distinguished colleague from South Carolina, Senator HOLLINGS, in his assessment of NAFTA last week. We were told that NAFTA would create jobs in America. I have seen in my state that they were wrong.

The U.S. textile and apparel industry has been decimated by imports from the Far East as a result of the Asian "flu" and also illegal transshipments that our government does not catch and which find their way into this country in what is estimated to be an annual volume of somewhere between $4 and $10 billion.

For 23 years, U.S. imports have exceeded U.S. exports. Consequently, in the last quarter of the 20th century, the United States has amassed a total trade deficit of more than $2 trillion. As a result, the United States, which entered the decade of the 1980s as the world's largest creditor nation, leaves the 1990s as the world's largest debtor country.

This is no time to further liberalize trade policy that is hurting not only the textile and apparel industry but also steel, computers, and auto parts where net imports have climbed enormously. Last year, all of manufacturing lost over 340,000 jobs.

Mr. President, when I became a United States Senator, one of my pledges to the people of Maine was that, and continues to be, that I will work to the best of my ability to ensure that their jobs are not lost because of actions taken by their government.

The administration and proponents of NAFTA told us over and over again how good the Agreement would be for creating American jobs. I now hear the same argument with this legislation and I want to say that if what has happened is considered good, then I could not imagine what poor trade legislation would do to the textile and apparel industry.

THE CLIMATE CHANGE ENERGY POLICY RESPONSE ACT AND THE CLIMATE CHANGE TAX AMENDMENTS OF 1999

Mr. ENZI. Mr. President, the Climate Change Energy Policy Response Act would bring the debate on global warming and climate change out of the arena of mass speculation and back to the refuge of sound, practical science. This legislation I am cosponsoring with my colleague from Idaho, Senator LARRY CRAIG, would not only move our Nation toward a healthier environment by requiring Federal agencies to establish clear goals for addressing climate change concerns, but it also seeks to protect rural economies that are currently threatened by policies based on scare tactics developed by professional global warming special interest activists and the politicians that cater to their agenda.

One thing that should be pointed out is that for many of the people who attend global warming conferences and who circulate global warming propaganda, global warming is an occupation. This is how they make their living. I make my living by ensuring the people of Wyoming and the United States get a fair deal. Committing our Nation's valuable resources and our children's futures to policies that unduly burden our communities is, to me, not only unfair, it's unconscionable.

This bill would direct the Secretary of Energy to coordinate and establish Federal policy for activities involving climate change. It would require increased peer review of the science used to create that policy and it establishes important objectives for the science such as understanding the Earth's capacity to assimilate natural and man-made greenhouse gas emissions and to evaluate natural phenomena such as El Niño.

I also am cosponsoring companion legislation that would put the power of addressing global warming issues into the hands of those most affected by climate change initiatives. It does this by amending the Internal Revenue Service Code to provide incentives for voluntary reduction of greenhouse gas emissions and for the development of global climate science and technology. This would permanently extend a tax credit for research and development involving climate change. It also would apply tax credits for greenhouse gas emission reduction facilities. This rewards industry for investing in cleaner technology without punishing it for thinking beyond short-term profits.

Our entrepreneurs, small businesses and the employers and employees of large companies have the ability to protect and preserve the environment without sacrificing the global economy. The goals of environmental health and economic stability are not mutually exclusive. For example, voluntary, incentive-based programs, in combination with private efforts, have been largely responsible for the success of wetlands restoration. We made developing and preserving wetlands an asset instead of a burden and as a result we have more wetlands now than before we enacted the incentive-based programs. Resorting to Federal regulations, on the other hand, has produced hostility and confusion on the part of private citizens. Why? Federal regulations are typically cost prohibitive and are promulgated with a single-minded purpose that sacrifices America's ability to respond to future challenges via proactive incentives.

It is my hope that proponents of government-knows-best policy and special interest mandates will set aside their rhetoric and walk with us on the practical path of real, reasonable environmental progress.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, October 25, 1999, the federal debt stood at $5,676,428,132,415.49 (Five trillion, six hundred seventy-six billion, four hundred twenty-eight million, one hundred thirty-two thousand, four hundred fifteen dollars and forty-nine cents).

Five years ago, October 25, 1994, the federal debt stood at $4,711,435,000,000 (Four trillion, seven hundred eleven billion, four hundred thirty-five million).

Ten years ago, October 25, 1989, the federal debt stood at $2,876,559,000,000 (Two trillion, eight hundred seventy-six billion, five hundred fifty-nine million).

Fifteen years ago, October 25, 1984, the federal debt stood at $1,599,358,000,000 (One trillion, five hundred ninety-nine billion, three hundred fifty-eight million).

Twenty-five years ago, October 25, 1974, the federal debt stood at $480,139,000,000 (Four hundred eighty billion, one hundred thirty-nine million) which reflects a debt increase of more than $5 trillion—$5,196,289,132,415.49 (Five trillion, one hundred ninety-six billion, two hundred eighty-nine million, one hundred thirty-two thousands, four hundred fifteen dollars and forty-nine cents) during the past 25 years.

FULL DISCLOSURE ON CHILE

Mr. KENNEDY. Mr. President, the National Security Archives recently released an additional selection of declassified documents from the State Department, Defense Department, and the CIA on U.S. relations with Chile between 1970 and 1973, when the democratically-elected government of President Allende was overthrown by General Pinochet. The release of these documents is part of the Administration's ongoing "Chile Declassification Project," an effort begun following the arrest of General Pinochet last year. According to the President's directive, U.S. national security agencies are directed to "review for release * * * all documents that shed light on human rights abuses, terrorism, and other acts of political violence during and prior to the Pinochet era in Chile."

On October 24, the Washington Post carried two articles which emphasized the need for full disclosure by the CIA of its documents related to its covert operations in Chile during this period. The release of these documents will facilitate a full understanding of this period in U.S.-Chile relations. I believe that these articles will be of interest to all of us in Congress concerned about this issue, and I ask unanimous consent that they may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 24, 1999]

STILL HIDDEN: A FULL RECORD OF WHAT THE U.S. DID IN CHILE

(By Peter Kornbluh)

As Augusto Pinochet continues to fight extradition from England to face charges of crimes against humanity, the historical record of U.S. support for the former Chilean dictator remains desaparecido—disappeared—like so many victims of his violent regime. Unless President Clinton ensures that the record is brought to light, a singular opportunity to find answers to unresolved cases of atrocities against Chileans and Americans, and to fully understand the role U.S. Government played in this Cold War tragedy, will be lost.

In the wake of Gen. Pinochet's stunning arrest in London one year ago, the Clinton administration has been conducting a special ''Chile Declassification Project.'' On Feb. 1, U.S. national security agencies were directed ''on behalf of the president'' to begin searching their archives ''and review for release . . . all documents that shed light on human rights abuses, terrorism, and other acts of political violence during and prior to the Pinochet era in Chile.''

What began as a precedent-setting exercise in official openness, however, has devolved into an example of government censors holding history hostage. The ''securocrats'' of the national security bureaucracy are blocking the release of virtually all documents that chronicle the full extent of the U.S. role in Chile. The result, so far, is a public record skewed by omission, open to charges of fraud and a coverup.

Chile holds a special place in the annals of American foreign policy. During the mid-1970s, the country that poet Pablo Neruda described as ''a long petal of sea, wine, and snow'' became the subject of international scandal. News reports revealed that the CIA had conducted massive clandestine operations to undermine the democratically elected socialist government of Salvador Allende and help bring the military to power in 1973. Secretary of State Henry Kissinger's embrace of the Pinochet regime, despite its ongoing atrocities, prompted Congress to pass the very first laws establishing human rights as a criterion for U.S. policy abroad.

The CIA's covert operations and the debate over U.S. policy toward Pinochet generated a slew of secret documents. So, too, did the 1973 murder in Chile of two U.S. citizens, freelance writers Charles Horman and Frank Teruggi, as well as the brazen 1976 car bombing in Washington that killed former Chilean ambassador Orlando Letelier and his American associate, Ronni Karpen Moffitt. The Clinton administration's special review carried the promise of finally declassifying these records and answering the outstanding questions that haunt this shameful era.

Such questions include:

What role did the United States play in the violent coup that brought Pinochet to power?

Why was Horman, whose case was made famous in the Hollywood movie ''Missing,'' detained and executed? Did U.S. intelligence somehow finger him, as recently declassified documents suggest, for the Chilean military?

What support did the CIA provide to Pinochet's notorious secret police, the DINA?

Could the United States have prevented the assassination of Letelier and Moffitt on American soil?

Since the White House ordered declassification, the agencies' review has yielded almost 7,000 documents—a major feat given the usual snail's pace of the national security bureaucracy. On June 30, the administration released same 5,800 records, covering the most repressive years of Pinochet's bloody rule, 1973 to 1978. Significantly, however, 5,000 of those were from the State Department; the CIA released only 500 documents—a fraction of its secret holdings on that period.

On Oct. 8, approximately 1,100 documents were declassified in a second phase that was supposed to cover the years of Allende's presidency, 1970 to 1973. Based on the accumulated evidence of U.S. involvement in Chile during that period, that figure is a meager percentage of the true record.

To be sure, some of the documents that were declassified contain extremely detailed information on the Pinochet regime, and they undoubtedly will prove useful to future efforts within Chile to hold Pinochet's military officers accountable for human rights violations.

But while Chileans are learning about their dark history from the U.S. documents, American citizens are learning almost nothing about their own government's actions. Among more than 25,000 pages released to date, there is not a single page of the thousands of CIA, National Security Council (NSC) or National Security Agency (NSA) records on U.S. policy and operations to bring down Allende and help Pinochet consolidate his rule. This documentation includes the files of the CIA's covert ''Task Force on Chile,'' planning papers from the Nixon White House, records of U.S. material support for the DINA, and intelligence documents on the Horman and Letelier-Moffitt cases.

That such records exists is beyond dispute. As the subject of repeated controversy over the years, the U.S. role in Chile has generated congressional inquiries, murder investigations, criminal prosecutions and civil lawsuits—not to mention hundreds of requests under the Freedom of Information Act. These have yielded extensive information (which I have spent almost 20 years compiling and analyzing) about what still is hidden.

A close reading of two detailed Senate reports published in 1975, for example, shows that the CIA station in Santiago sent a number of cables about its ''liaison relations'' with the Chilean DINA after the coup. Justice Department files on the prosecution of former CIA head Richard Helms for lying to Congress about covert operations in Chile reveal that the agency filed daily progress reports on ''Track II''—the code name for U.S. efforts to foment a coup against Allende. An aborted lawsuit filed by the Horman family against Kissinger produced references to classified records containing information about Charles Horman's death. But while President Clinton clearly intended these cables, files and records to be released, none of them have been.

The Horman case is a classic example of the cult of secrecy. As the movie ''Missing'' suggests, his family has long suspected that the U.S. intelligence community knew far more than it admitted about how and why he was singled out by the Chilean military after the coup. But it took 26 years for the U.S. government to acknowledge that State Department officials shared the family's suspicion. ''U.S. intelligence may have played a part in Horman's death. At best, it was limited to providing or confirming information that helped motivate his murder. . .'' according to a passage in an Aug. 25, 1976, State Department memorandum released this month—a document that Horman's widow, Joyce calls ''close to a smoking pistol.'' (When the same document was released to the family in 1980, this critical paragraph was blacked out.) And although Clinton's order explicitly directed agencies to declassify documents on Horman, neither the CIA nor the NSA has released a single record relating to his case.

Hundreds of documents have also been withheld on the Letelier and Moffitt assassinations—albeit with the explanation, wholly unsatisfactory to their families, that these records are material to an ''ongoing'' investigation into Pinochet's possible role.

As coordinator of the Chile Declassification Project, the NSC bears responsibility for failure to comply with the president's directive. Under its watch, countless documents have been blocked from release.

The CIA, which has the most to offer history but also the most to hide, has refused to conduct a full file search of its covert action branch, the Directorate of Operations. After I sent a comprehensive list of documents missing from the first release to the CIA's declassification center—the address of which is classified—an official informed me that the agency was ''not legally obliged'' to search such file because it had never ''officially acknowledged'' covert operations in Chile. (President Gerald Ford's public admission in 1974 that the CIA had covertly intervened in Chile apparently doesn't count.)

Moreover, with the acquiescence of the NSC, the intelligence community has taken the position that policy and planning documents are ''not responsive'' to the president's directive. Under this narrow interpretation, the deliberations of Nixon, Kissinger, Helms and others in plotting and financing political violence in Chile will not be considered for declassification—severely distorting the historical record.

Consider one example: The CIA has released one heavily blacked-out cable reporting on the October 1970 kidnapping and murder of Chilean Gen. Gene Schneider, who opposed a military move against Allende. But the agency did not even submit for review the dozens of secret ''memcons'' (memorandums of conversations), meeting minutes and briefing papers showing that the White House and the CIA covertly orchestrated this operation in an aborted attempt to instigate a coup in Chile.

To the surprise of the intelligence community, the National Archives Records Administration (NARA) found such documents among Nixon's papers. In compliance with Clinton's order, these records were submitted to the Chile Declassification Project, but CIA and NSA officials objected to their release. Since the documents deal with the Allende era, they should have been made public on Oct. 8. They weren't.

It is unclear how many, if any, will be included in the third and final declassification, now scheduled for April. Under the media spotlight, the CIA recently said it will review some records related to covert action. But it is unlikely that the credibility of this important project can be salvaged unless the president explicitly orders full cooperation and maximum disclosure.

There are compelling reasons to do so:

Abroad, Washington's reputation as a standard-bearer on human rights is at stake. It will prove far more difficult to encourage Chileans to undergo a process of truth and reconciliation if Washington is unwilling to admit its own involvement in their history. Indeed, the credibility of U.S. diplomatic efforts to press other nations, from Germany to Guatemala, to acknowledge and redress their mistakes of the past will be undermined by this flagrant attempt to hide our own.

At home, the American public has the right to know the full story of U.S. policy toward Chile and Pinochet's brutal regime. And his victims' families deserve to be able to lay this painful history to rest. Clinton's directive said the declassification project responded, in part, ''to the expressed wishes of the families of American victims.'' But an incomplete review, as Joyce Horman wrote recently, would be ''little more than an exercise in hypocrisy.''

At least rhetorically, Clinton appears to agree: ''I think you're entitled to know what happened back then and how it happened,'' he recently told reporters. We are indeed.

But only if he takes concrete action to support his words will Americans finally learn what was done in Chile—in our name, but without our knowledge.

[From the Washington Post, Oct. 24, 1999]

THE 'JEWELS' THAT SPOOKED THE CIA

(By Vernon Loeb)

President Clinton's order to declassify all U.S. government documents on human rights abuses and political violence in Chile has forcefully recalled the most painful period in agency history.

It is a cautionary tale of secrets and lies, burned deep into the CIA psyche. It begins on Feb. 7, 1973, with the question that Sen. Stuart Symington put to former CIA director Richard Helms before the Senate Foreign Relations Committee:

''Did you try in the Central Intelligence Agency to overthrow the government of Chile?''

''No, sir,'' Helms replied.

The facts told a different story, and three months later, after an order came down asking all CIA employees to report any evidence they had of any unlawful acts, someone at Langley questioned the truthfulness of Helm's response.

His prevarication found its way into a 693-page compendium of CIA misdeeds that was being compiled by the new director of central intelligence, William Colby—a document that came to be known as ''the Family Jewels.''

The Family Jewels told all: of plots to assassinate foreign leaders, overthrow government, bug journalists, test psychedelic drugs on unwary subjects. And, of course, of the agency's efforts to destabilize the socialist regime of Chilean President Salvador Allende.

Colby shared the Family Jewels with Congress, the White House and, to a lesser extent, the news media. He hand-delivered a chapter to the Justice Department that directly led to Helms facing criminal charges over his Chile testimony. And Colby's revelations prompted the creation of the Senate Select Committee to Study Government Operations with Respect to Intelligence Activities, known as the Church Committee after its chairman, Sen. Frank Church.

Once the committee issued its final report, the CIA's ability to do pretty much as it pleased without telling anyone was over: Both houses of Congress created standing select committees to oversee the CIA as a full-time pursuit.

To this day, Helms—who pleaded no contest in 1977 for failing to testify fully to Congress, was ordered to pay a $2,000 fine and was given a two-year suspended sentence—remains one of the most revered figures in the secrecy-based CIA culture. (At 86, he is currently working on his memoirs.) But Colby, who died in 1996, is deeply resented by many for what is seen as betrayal.

''The first principle of a secret intelligence service is secrecy.'' Thomas Powers wrote in his 1979 biography of Helms, ''The Man Who Kept the Secrets.''

''It was bad enough this ancient history was being raked up at all, but to have it raked up in public, with all the attendant hypocrisy of a political investigation conducted by political men . . . This, truly, in Richard Helms' view, threatened to destroy the agency he and a lot of men had spent their lives trying to build.''

Whether a new spirit of openness prevails at the CIA remains to be seen, at least when it comes to Clinton's declassification order on Chile. No covert action documents relating to CIA operations in Chile have yet been made public. But CIA spokesman Mark Mansfield said their release is only a matter of time.

''We're still very much in the middle of this, and we are going to be as forthcoming as possible,'' Mansfield said, ''consistent with protecting legitimate sources and methods.''

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

A DRAFT OF PROPOSED LEGISLATION RELATIVE TO THE SOCIAL SECURITY SYSTEM—MESSAGE FROM THE PRESIDENT—PM 68

The PRESIDING OFFICER laid before the Senate the following messages from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

I transmit herewith for your immediate consideration a legislative proposal entitled the ''Strengthen Social Security and Medicare Act of 1999.''

The Social Security system is one of the cornerstones of American national policy and together with the additional protections afforded by the Medicare system, has helped provide retirement security for millions of Americans over the last 60 years. However, the long-term solvency of the Social Security and Medicare trust funds is not guaranteed. The Social Security trust fund is currently expected to become insolvent starting in 2034 as the number of retired workers doubles. The Medicare system also faces significant financial shortfalls, with the Hospital Insurance Trust Fund projected to become exhausted in 2015. We need to take additional steps to strengthen Social Security and Medicare for future generations of Americans.

In addition to preserving Social Security and Medicare, the Congress and the President have a responsibility to future generations to reduce the debt held by the public. Paying down the debt will produce substantial interest savings, and this legislation proposes to devote these entirely to Social Security after 2010. At the same time, by contributing to the growth of the overall economy debt reduction will improve the Government's ability to fulfill its responsibilities and to face future challenges, including preserving and strengthening Social Security and Medicare.

The enclosed bill would help achieve these goals by devoting the entire Social Security surpluses to debt reduction, extending the solvency of Social Security to 2050, protecting Social Security and Medicare funds in the budget process, reserving one-third of the non-Social Security surplus to strengthen and modernize Medicare, and paying down the debt by 2015. It is clear and straightforward legislation that would strengthen and preserve Social Security and Medicare for our children and grandchildren. The bill would:

—Extend the life of Social Security from 2034 to 2050 by reinvesting the interest savings from the debt reduction resulting from Social Security surpluses.

—Establish a Medicare surplus reserve equal to one-third of any on-budget surplus for the total of the period of fiscal years 2000 through 2009 to strengthen and modernize Medicare.

—Add a further protection for Social Security and Medicare by extending the budget enforcement rules that have provided the foundation of our fiscal discipline, including the discretionary caps and pay-as-you-go budget rules.

I urge the prompt and favorable consideration of this proposal.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 26, 1999.*

MESSAGES FROM THE HOUSE

At 11:20 a.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 754. An act to establish a toll free number under the Federal Trade Commission to assist consumers in determining if products are American-made.

H.R. 915. An act to authorize a cost of living adjustment in the pay of administrative law judges.

H.R. 2303. An act to direct the Librarian of Congress to prepare the history of the House of Representatives, and for other purposes.

H.R. 3111. An act to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports Elimination and Sunset Act of 1995.

H.R. 3122. An act to permit the enrollment in the House of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch.

The message also announced that the House has agreed to the following resolution:

H. Res. 341. Resolution expressing the condolences of the House of Representatives on the death of Senator John H. Chafee.

The message further announced the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 194. Concurrent resolution recognizing the contributions of 4–H Clubs and their members to voluntary community service.

ENROLLED BILL SIGNED

At 2.36 p.m., a message from the House of Representatives, delivered by one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2367. An act to reauthorize a comprehensive program of support for victims of torture.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 754. An act to establish a toll free number under the Federal Trade Commission to assist consumers in determining if products are American-made; to the Committee on Commerce, Science, and Transportation.

H.R. 915. An act to authorize a cost of living adjustment in the pay of administrative law judges; to the Committee on Governmental Affairs.

H.R. 2303. An act to direct the Librarian of Congress to prepare the history of the House of Representatives, and for other purposes; to the Committee on Rules and Administration.

H.R. 3111. An act to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports Elimination and Sunset Act of 1995; to the committee on Governmental Affairs.

H.R. 3122. An act to permit the enrollment in the House of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch; to the Committee on Rules and Administration.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 194. Concurrent resolution recognizing the contributions of 4–H Clubs and their members to voluntary community service; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–5791. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''November 1999 Applicable Federal Rates'' (Revenue Ruling 99–45), received October 21, 1999; to the Committee on Finance.

EC–5792. A communication from the Chief, Regulations Branch, Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Customs Bonded Warehouses'' (RIN1515–AC41), received October 21, 1999; to the Committee on Finance.

EC–5793. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to a new Unified Command Plan; to the Committee on Armed Services.

EC–5794. A communication from the Independent Counsel, transmitting, pursuant to law, the annual report for the period ending September 30, 1999; to the Committee on Governmental Affairs.

EC–5795. A communication from the Deputy Archivist, National Archives and Records Administration, transmitting, pursuant to law, the report of a rule entitled ''Nixon Presidential Materials'' (RIN3095–AA91), received October 22, 1999; to the Committee on Governmental Affairs.

EC–5796. A communication from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Public Housing Assessment System (PHAS); Transition to the PHAS'' (RIN2577–AC08) (FR–4497–N–02), received October 22, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5797. A communication from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Section 8 Tenant-Based Assistance; Statutory Merger of Section 8 Certificate and Voucher Programs; Housing Choice Voucher Program'' (RIN2577–AB91) (FR–4428–F–04), received October 22, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5798. A communication from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Renewal of Expiring Annual Contributions Contracts in the Tenant-Based Section 8 Program; Formula for Allocation of Housing Assistance'' (RIN2577–AB96) (FR–4459–F–03), received October 22, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5799. A communication from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Public Housing Agency Plans'' (RIN2577–AB89) (FR–4420–F–05), received October 22, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5800. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report relative to projects, or separable elements of projects, which have been authorized, but for which no funds have been obligated for planning, design or construction during the preceding seven full fiscal years; to the Committee on Environment and Public Works.

EC–5801. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plan; Indiana'' (FRL #6446–5), received October 22, 1999; to the Committee on Environment and Public Works.

EC–5802. A communication from the Attorney, Research and Special Programs Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Determining the Extent of Corrosion on Gas Pipelines'' (RIN2137–AB50), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5803. A communication from the Secretary of the Commission, Federal Trade Commission, transmitting, pursuant to law, the report of a rule entitled ''Guides for the Dog and Cat Food Industry'', received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5804. A communication from the Trial Attorney, Federal Railroad Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Qualification and Certification of Locomotive Engineers'' (RIN2130–AA74), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5805. A communication from the Attorney, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Relocation of Standard Time Zone in the State of Nevada'' (RIN2105–AC80), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5806. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Inseason Adjustment—Opens D Fishing for Pollock in Statistical Area 620 of the Gulf of Alaska for 36 Hours'', received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5807. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Highly Migratory Species Fisheries; Large Coastal (LCS) Shark Species; Postponement of Closure; Fishing Season Notification'' (I.D. 092299D), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5808. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closure of the Central Regulatory Area of the Gulf of Alaska for Other Rockfish'', received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5809. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closure of the Gulf of Alaska for Vessels Using Trawl Gear'', received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5810. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closure for Yellowfin Sole with Trawl Gear in the Bering Sea and Aleutian Islands Management Area'', received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5811. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closes the Pacific Cod Fishery by Vessels Using Trawl Gear in the Bering Sea and Aleutian Islands Management Area'', received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5812. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closes Directed Fishing for Pacific Cod With Hook-and-Line and Pot Gear in the Bering Sea and Aleutian Islands Management Area'', received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5813. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Relocation of Pollock'', received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5814. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Norfolk, NE; Direct Final Rule; Request for Comment; Docket No. 99–AE–45 (10–19/10–21)'' (RIN2120–AA66) (1999–0343), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5815. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled

''Amendment to Class E Airspace; Nevada, MO; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ACE–40 (10–12/10–21)'' (RIN2120–AA66) (1999–0346), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5816. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Wayne, NE; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ACE–29 (10–6/10–21)'' (RIN2120–AA66) (1999–0345), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5817. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Ava, MO; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ACE–37 (10–20/10–21)'' (RIN2120–AA66) (1999–0354), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5818. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Smith Center, KS; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ACE–32 (10–6/10–14)'' (RIN2120–AA66) (1999–0340), received October 14, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5819. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Hebron, NE; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ACE–27 (10–7/10–14)'' (RIN2120–AA66) (1999–0339), received October 14, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5820. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Jefferson, IA; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ACE–31 (10–7/10–14)'' (RIN2120–AA66) (1999–0338), received October 14, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5821. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class D Airspace and Establishment of Class E2 Airspace; Fort Rucker, AL; Docket No. 99–ASO–14 (10–15/10–21)'' (RIN2120–AA66) (1999–0353), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5822. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Lyons, KS; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ACE–3 (10–20/10–21)'' (RIN2120–AA66) (1999–0355), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5823. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Altus, OK; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ASW–6 (10–6/10–21)'' (RIN2120–AA66) (1999–0344), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5824. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Antlers, OK; Direct Final Rule; Confirmation of Effective Date; Docket No. 99–ASW–17 (10–6/10–14)'' (RIN2120–AA66) (1999–0336), received October 14, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5825. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Georgetown, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–18 (10–5/10–21)'' (RIN2120–AA66) (1999–0342), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5826. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Modification of Class E Airspace; Madison, WI; Docket No. 99–AGL–43 (10–6/10–6)'' (RIN2120–AA66) (1999–033542), received October 14, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5827. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; St. Helena, CA; Docket No. 99–AWP–14 (10–15/10–21)'' (RIN2120–AA66) (1999–0347), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5828. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Napa, CA; Docket No. 99–AWP–17 (10–15/10–21)'' (RIN2120–AA66) (1999–0348), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5829. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Clearlake, CA; Docket No. 99–AWP–15 (10–15/10–21)'' (RIN2120–AA66) (1999–0349), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5830. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Lakeport, CA; Docket No. 99–AWP–16 (10–15/10–21)'' (RIN2120–AA66) (1999–0350), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5831. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Gualala, CA; Docket No. 99–AWP–13 (10–15/10–21)'' (RIN2120–AA66) (1999–0351), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5832. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Fort Bragg, CA; Docket No. 99–AWP–12 (10–15/10–21)'' (RIN2120–AA66) (1999–0352), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5833. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Platinum, AK; Docket No. 99–AAL–11 (10–5/10–14)'' (RIN2120–AA66) (1999–0341), received October 14, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5834. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Rockport, TX; Docket No. 99–ASW–12 (10–7/10–14)'' (RIN2120–AA66) (1999–0337), received October 14, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5835. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (96); Amdt. No. 1955 (10–12/10–21)'' (RIN2120–AA65) (1999–0048), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5836. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (15); Amdt. No. 1954 (10–12/10–21)'' (RIN2120–AA65) (1999–0049), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5837. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (48); Amdt. No. 1953 (10–12/10–21)'' (RIN2120–AA65) (1999–0050), received October 21, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5838. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Noise Certification Standards for Propeller-Driven Small Airplanes'' (RIN2120–AG65), received October 14, 1999; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, without amendment:

S. 1788: An original bill to amend titles XVIII, XIX, and XXI of the Social Security Act to make corrections and refinements in the medicare, medicaid, and SCHIP programs, as revised and added by the Balanced Budget Act of 1997 (Rept. No. 106–199).

By Mr. CAMPBELL, from the Committee on Indian Affairs:

Report to accompany the bill (S. 438) to provide for the settlement of the water rights claims of the Chippewa Cree Tribe of the Rocky Boy's Reservation, and for other purposes (Rept. No. 106–200).

By Mr. ROTH, from the Committee on Finance, without amendment:

S. 1792: An original bill to amend the Internal Revenue code of 1986 to extend expiring provisions, to fully allow the nonrefundable personal credits against regular tax liability, and for other purposes (Rept. No. 106–201).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WELLSTONE (for himself and Mr. KERRY):

S. 1785. A bill to provide for local family information centers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. LAUTENBERG:

S. 1786. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to establish a grant program for assisting small business and agricultural enterprises in meeting disaster-related expenses; to the Committee on Environment and Public Works.

By Mr. BAUCUS (for himself, Mr. CAMPBELL, and Mr. DASCHLE):

S. 1787. A bill to amend the Federal Water Pollution Control Act to improve water quality on abandoned or inactive mined land; to the Committee on Environment and Public Works.

By Mr. ROTH:

S. 1788. An original bill to amend titles XVIII, XIX, and XXI of the Social Security Act to make corrections and refinements in the medicare, medicaid, and SCHIP programs, as revised and added by the Balanced Budget Act of 1997; from the Committee on Finance; placed on the calendar.

By Mr. GORTON (for himself and Mr. LIEBERMAN):

S. 1789. A bill to provide a rotating schedule for regional selection of delegates to a national Presidential nominating convention, and for other purposes; to the Committee on Rules and Administration.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1790. A bill to provide for the issuance of a promotion, research, and information order applicable to certain handlers of Hass avocados; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CAMPBELL (for himself and Mr. LIEBERMAN):

S. 1791. A bill to authorize the Librarian of Congress to purchase papers of Dr. Martin Luther King, Junior, from Dr. King's estate; to the Committee on Rules and Administration.

By Mr. ROTH:

S. 1792. An original bill to amend the Internal Revenue Code of 1986 to extend expiring provisions, to fully allow the nonrefundable personal credits against regular tax liability, and for other purposes; from the Committee on Finance; placed on the calendar.

By Mr. DOMENICI:

S. 1793. A bill to ensure that there will be adequate funding for the decommissioning of nuclear power facilities; to the Committee on Environment and Public Works.

By Mr. THOMAS (for himself and Mr. ENZI):

S. 1794. A bill to designate the Federal courthouse at 145 East Simpson Avenue in Jackson, Wyoming, as the "Clifford P. Hansen Federal Courthouse"; to the Committee on Environment and Public Works.

By Mr. CRAPO:

S. 1795. A bill to require that before issuing an order, the President shall cite the authority for the order, conduct a cost benefit analysis, provide for public comment, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LAUTENBERG (for himself, Mr. MACK, Mr. KYL, Mr. GRAHAM, Mr. ROBB, Mr. LOTT, Mr. LIEBERMAN, Mr. HATCH, Mr. CONRAD, Mr. HELMS, Mr. TORRICELLI, Mr. SPECTER, Mr. MOYNIHAN, Mr. HOLLINGS, Mr. SCHUMER, Mr. COVERDELL, Mr. EDWARDS, Mr. CLELAND, and Mr. SANTORUM):

S. 1796. A bill to modify the enforcement of certain anti-terrorism judgements, and for other purposes; to the Committee on the Judiciary.

By Mr. MURKOWSKI:

S. 1797. A bill to amend the Alaska Native Claims Settlement Act, to provide for a land conveyance to the City of Craig, Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WELLSTONE (for himself and Mr. KERRY):

S. 1785. A bill to provide for local family information centers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

LOCAL FAMILY EDUCATION INFORMATION CENTERS

Mr. WELLSTONE. Mr. President, I speak on behalf of myself and Senator KERRY from Massachusetts, today for myself and Senator KERRY of Massachusetts today to introduce legislation that will go a long way to help parents become more involved in their children's education. We all know that families are crucial to the improvement of our nation's schools. To ensure that schools and students meet challenging educational goals, families must be involved. Parents must insist that their children get the best education. They must understand, shape and support the reforms in their schools; and, they must work with schools to help all children meet their goals.

We know that when families are fully engaged in the educational process, students have: higher grades and test scores; better attendance and more homework done; fewer placements in special education; more positive attitudes and behavior; higher graduation rates; and, greater enrollment in post-secondary education.

For school reforms to help all children, we must move to ensure that all parents are involved in their children's education. For many parents, this is not an easy task. Parents, particularly those who have limited English proficiency, or those who have a troubled history with the school system, often need outside help to get the information, support, and training they need to help their children navigate the school system.

Current provisions in Title I of the Elementary and Secondary Education Act provide for excellent and important ways for parents to get involved in their children's education. However, in some cases, parent involvement of the type envisioned by Title I remains a distant goal. Many Title I schools (though not all) have failed to fully bring parents into the development of parent involvement policies, school-parent compacts, and into planning and improvement for the school as provided for in Title I. It is thus essential for families to have an independent source of information and support that they understand and trust so that they can participate in an informed and effective manner and help move the schools toward the goal of full parental participation.

To achieve this critical end, this legislation would provide competitive grants to community based organizations to establish Local Family Information Centers. These centers, made up of community members as well as professionals from the Title I schools in the area, should have a track record of effective outreach and work with low income communities. They, in consultation with the school district, would develop a plan to provide parents with the full support that they need to be partners in their children's education. For example, they would help parents understand standards, assessments, and accountability systems; support activities that are likely to improve student achievement in Title I schools; understand and analyze data that schools, districts, and states must provide under reporting requirements of ESEA and other laws; understand and participate in the implementation of parent involvement requirements of ESEA, including; and, communicate effectively with school personnel.

This legislation is essential because it would reach and assist parents most isolated from participation by poverty, race, limited English proficiency and other factors. It is essential because of what we know about how children learn—that children that are the farthest behind make the greatest gains when their parents are part of their school life.

Many schools do a very good job of involving parents in education reform. This bill does nothing but ensure that parents have the option of an independent voice in districts where schools do not do such a good job. If we are to educate our children, we must also educate their parents. This legislation provides one necessary means to do so.

By Mr. LAUTENBERG:

S. 1786. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to establish a grant program for assisting small business and agricultural enterprises in meeting disaster-related expenses; to the Committee on Environment and Public Works.

SMALL BUSINESS AND AGRICULTURAL ENTERPRISE GRANT PROGRAM

• Mr. LAUTENBERG. Mr. President, I ask that a copy of the bill be printed in the RECORD.

The bill follows:

S. 1786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SMALL BUSINESS AND AGRICULTURAL ENTERPRISE GRANT PROGRAM.

Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170a et seq.) is amended by adding at the end the following:

"SEC. 425. SMALL BUSINESS AND AGRICULTURAL ENTERPRISE GRANT PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) AGRICULTURAL ENTERPRISE.—The term 'agricultural enterprise' includes—

"(A) a farm not larger than a family farm (within the meaning of section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a))); and

"(B) an enterprise engaged in the business of production of food or fiber, ranching or raising of livestock, aquaculture, or any other farming or agricultural related industry (within the meaning of section 3(a) of the Small Business Act (15 U.S.C. 632(a))).

"(2) SMALL BUSINESS.—The term 'small business' has the meaning given the term 'small business concern' under section 3 of the Small Business Act (15 U.S.C. 632).

"(b) GRANT PROGRAM.—The President may make grants to assist small businesses and agricultural enterprises adversely affected by a major disaster in meeting disaster-related expenses, including the costs of non-structural repairs and replacement of non-insured contents and inventory.

"(c) CONDITIONS.—

"(1) NO RELOCATION ASSISTANCE.—A small business or agricultural enterprise receiving a grant under this section—

"(A) shall not use the proceeds of the grant for relocation; but

"(B) may use the proceeds of the grant for appropriate purposes in a new location, at the discretion of the President, for a safety, health, or mitigation purpose.

"(2) DUPLICATIVE ASSISTANCE.—

"(A) IN GENERAL.—A small business or agricultural enterprise receiving assistance in the form of a grant under this section shall be liable to the United States to the extent that the assistance duplicates benefits provided to the small business or agricultural enterprise for the same purpose by another Federal agency.

"(B) DEBT COLLECTION.—A Federal agency that provides any duplicative assistance described in subparagraph (A) shall collect an amount equal to the value of the duplicative assistance from the recipient in accordance with chapter 37 of title 31, United States Code, in any case in which the head of the agency considers such collection to be in the best interest of the Federal Government.

"(C) INAPPLICABILITY OF DUPLICATION OF BENEFITS PROVISION.—Section 312 shall not apply to assistance provided under this section.

"(d) FUNDING LIMITATIONS.—

"(1) ONE MAJOR DISASTER ONLY.—A small business or agricultural enterprise shall be eligible for a grant under this section in relation to not more than 1 major disaster.

"(2) MAXIMUM AMOUNT OF GRANT.—The maximum amount that a small business or agricultural enterprise may receive under this section shall be $20,000.

"(e) TIME PERIOD FOR MAKING GRANTS.—The President may make a grant under this section only during the 90-day period beginning on the date of declaration of a major disaster under this title.

"(f) REGULATIONS.—The President shall promulgate regulations to carry out this section, including criteria, standards, and procedures for the determination of eligibility for grants and the administration of grants under this section.

"(g) APPLICABILITY.—

"(1) DATE OF DISASTER.—This section shall apply to any major disaster declared after September 1, 1999, and before the date of enactment of this section.

"(2) LIMITATION ON TIME PERIOD FOR MAKING GRANTS.—For the purpose of subsection (e), with respect to a major disaster described in paragraph (1), the 90-day period shall begin on the date of enactment of this section.".•

By Mr. BAUCUS (for himself, Mr. CAMPBELL, and Mr. DASCHLE):

S. 1787. A bill to amend the Federal Water Pollution Control Act to improve water quality on abandoned or inactive mined land; to the Committee on Environment and Public Works.

GOOD SAMARITAN ABANDONED OR INACTIVE MINE WASTE REMEDIATION ACT

Mr. BAUCUS. Mr. President, I rise to introduce a bill, for myself, Senator CAMPBELL, and Senator DASCHLE. This bill will address one of our nation's most overlooked environmental problems: the thousands of abandoned mines that pour pollution into rivers and streams throughout the west.

Since 1972, when we enacted the Clean Water Act, our nation has made a lot of progress improving water quality. Generally speaking, our water is cleaner. The Potomac doesn't stink. The Cuyuhoga doesn't burst into flame. EPA estimates that about 1/3 more of our rivers are fishable and swimmable than 20 years ago.

But we still face serious water pollution problems.

One of the most serious, in the west, is pollution from abandoned mines.

Let me provide some background.

The settlement of the mountain west was driven, in large part, by mining. Take my home state of Montana. At the center of Helena is Last Chance Gulch, where gold was discovered in 1864. Butte was called the "Richest Hill on Earth, "because of it's huge veins of copper. Our state's motto is "Oro y Plata"—gold and silver. The ASARCO smelter in East Helena is one of the largest and most efficient in the world.

Mining has long been critical to our development. It's created jobs. It's part of our culture. Of our community.

But mining, like many other economic activities, can have severe environmental consequences. Especially the way it was conducted years ago, before the development of sophisticated environmental laws and regulations.

I am reminded of the words of the Montana writer, A.B. Guthrie.

> Much of the exploitation, much of unthinking damage, was done in . . . a spirit characteristic of pioneer America. Growth was the way of life. It was the nature of things. . . . The end was not yet. The end never would be. That's what we thought. We know better now.

One reason that we know better now is that we've seen the effect of the abandoned hardrock mines that dot the landscape of the mountain west. They once were active mines, in many cases, long ago. Now they're an abandoned collection of tailings, shafts, and adits.

Even in generally arid areas, these mines release acid wastes. They leach mercury, arsenic, copper, and other heavy metals. They load sediments into nearby waters. They poison drinking water. They contaminate fish, making them unfit to eat. They threaten public health and destroy rivers and streams.

According to the Western Governors Association:

> Abandoned and inactive mines are responsible for many of the greatest threats and impairments to water quality throughout the United States. Thousands of stream miles are severely impacted by drainage and runoff from these mines, often for which a responsible party is unidentifiable or not economically viable. At least 400,000 abandoned or inactive mine sites occur in the west.

This map shows the scope of the problem.

The small dots indicate individual sites. Light shading indicates that there are more than 100 sites. Orange, between 200 and 300. Red, more than 300 sites.

As you can see, There are hundreds of sites in many western states—Montana, Idaho, California, Utah. New Mexico, Arizona, Colorado, and South Dakota.

And that's not all. Michigan. The Ohio Valley. The Appalachains. All across the country.

In Montana, there are approximately 6,000 abandoned hardrock mines. State officials already have identified 245 that are within 100 feet of a stream. In many cases, these mines are known to be polluting downstream waters.

Most of the sites are concentrated around Helena. But there are sites throughout western Montana, in 24 of our 56 counties. All the way from Lincoln County, in Northwest Montana, to Park County, in South Central Montana.

Let me show you an example.

This is an abandoned hardrock mine site near Rimini, about 15 miles west of Helena. It's in the Ten Mile Creek watershed, which serves as the Helena drinking supply. As you can see, the water is actually orange.

Clearly, abandoned hardrock mines pose a big problem.

So why isn't somebody doing something about it?

As is often the case, this simple question requires a pretty complicated answer.

In the first place, it may be impossible to track down the person who created the problem. The original mine operator may long gone.

In other cases, the ownership patterns are a complex mix of federal, state, and private land; and of surface, mineral, and water rights. It is not uncommon for dozens of parties to have had some connection to a mining site over the years. So it's difficult to establish legal responsibility for a private party to clean up the site.

There's another alternative. A state, tribe, or local government agency may want to step in and clean the site up themselves. As the Western Governors Association has put it:

> The western states have found that there would be a high degree of interest and willingness on the part of federal, state and local agencies . . . to work together toward solutions to the multi-faceted problems commonly found on inactive mined lands.

But there's a hitch. A few years ago, a federal court of appeals held that, under the Clean Water Act, one of these ''good samaritans'' is treated exactly the same as the operator of an working mine. That is, someone who has no responsibility for a site, but nevertheless wants to step in and make progress in cleaning up the site, must get a permit that complies with all of the effluent guidelines and other requirements of the Clean Water Act.

Many states, tribes, and local government good samaritans simply can't afford to clean up a site to full Clean Water Act standards.

So, facing the legal consequences if they fall short, potential good samaritans refrain from attempting to address water pollution problems at all.

Let me tell you about the Alta mine, outside Corbin, Montana. That's about 15 miles South of Helena.

The mine is an important part of Montana's heritage. Ore was discovered in there 1869.

During the late 1800s, 450 miners were extracting more than 150 tons of ore each day, generating a total of $32 million worth of gold, silver, lead, and zinc. That's the equivalent of about $1 billion in today's dollars.

The main portion of the mine closed in 1896. This century, mining and remining continued sporadically, under a variety of different operators. The mine was completely abandoned in the late 1950s.

I visited the site a few weeks ago, with my friend Vick Anderson, who runs the Montana mine cleanup program.

This is a photograph of the mine shaft. It cuts down to the old underground workings, 650 feet below. The shaft serves as a collection point for groundwater.

In the picture, you can see the toxic, acid water that seeps from the shaft and eventually drains into Corbin Creek.

Up until this point, Corbin Creek runs clear and clean. It's a high-quality trout stream. But, after the runoff from the Alta mine, the water is contaminated with arsenic, antimony, cadmium, copper, iron, lead, mercury, and zinc.

There's a distinct sulphuric odor. In some places, the water looks orange, like the picture I showed of the mine near Rimini.

This contamination affects not only Corbin Creek, but also Spring Creek and Prickly Pear Creek. That's about 7 miles of contamination. In the town of Corbin itself, the pollution is so bad that the State of Montana was forced to close groundwater wells and contstruct a $300,000 water supply project to serve 11 homes.

Now let me tell you what you can't see in the picture of the Alta mine.

All around the mine shaft, the State of Montana is conducting reclamation work. Removing structures. Closing adits. Removing or covering contaminated soil.

The state would also like to do something about the water pollution.

For example, they could divert runoff through a channel, and then construct wetlands to filter the arsenic, iron, lead, mercury, and other pollutants. This would clean the water up, significantly.

The engineers say that it will work.

But the lawyers say it won't.

They say that, by diverting the water, the state would become liable under the Clean Water Act. It would have to get a permit. And the permit would require permanent treatment that is prohibitively expensive.

Faced with that possibility, there is only one practical thing for the state to do. Nothing. Leave the water pollution alone.

And that's exactly what is happening. As we speak, the toxic water continues to flow directly into Corbin Creek.

This is not an isolated example. According to the Western Governors Association and others, the same thing is happening all across the west.

As you can see, the current system creates a disincentive. It prevents well-intentioned state and local governments from stepping in and conducting voluntary cleanups.

As a result, the cleanups don't occur and the pollution keeps flowing.

That's the problem that our bill will fix.

The title of this bill, the ''Good Samaritan Mine Remediation Waste bill'' says it all.

The state, tribal, and local government agencies that we refer to as ''good samaritans'' are not trying to make money. They're not trying to skirt the law. They're trying to do good—in this case, to improve water quality.

The basic objective of this bill is to allow that. To allow states, tribes and local governments to be good samaritans.

In a nutshell, the bill will allow state, local, and tribal governments to clean up an abandoned mines under a special permit, tailored to the conditions of the site.

They apply for a good samaritan permit from EPA. The application must include a detailed plan describing the cleanup actions that will be taken to improve water quality.

EPA reviews the plan and takes comments from the local community. EPA can approve the application if it determines that the plan will result in an improvement in water quality to the greatest extent practical, given the resources and cleanup technologies available to the Good Samaritan.

Once a permit is approved, the good samaritan can proceed with the cleanup. EPA will monitor progress and conduct periodic reviews. When the cleanup is finished, the permit is terminated and the Good Samaritan is not held responsible for any future discharges from the site.

That's the basic framework.

Let me also mention several additional safeguards, that are described in detail in a summary that I ask be included in the RECORD after this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

First, before applying for a permit, the good samaritan must conduct a search, to try to find parties who are responsible for the pollution problem at the mine site and have the resources to clean it up themselves. If so, those parties should be held to the ordinary standards of the Clean Water Act. And they will be.

Second, a good samaritan permit can only be used for cleanup. It can't be used for remining. In fact, if the cleanup generates materials that can be sold commercially, the proceeds have to be used to help further clean up the river or stream. As a result, good samaritan permits cannot become a loophole for someone to get around the application of the Clean Water Act to active mining operations.

This bill is not a remining bill, and will not become one.

Third, a good samaritan permit is fully enforceable, by either EPA or a citizen suit. As I've explained, there are very good arguments for applying different standards to good samaritan cleanups.

But, once those standards are written into a permit, they must be complied with to the same extent as the standards of an ordinary permit. The law is the law.

Mr. President, this bill reflects years of hard work, by the Western Governors Association, environmentalists, industry representatives, and others.

It's not perfect. It does not reflect a complete consensus. There are further issues to work through.

But my hope is that we can proceed quickly, through a hearing and markup, so that, before long, this important bill can be enacted into law.

If so, we soon will see success stories, all across the west. At places like the Alta Mine, we'll be taking sensible steps to make our rivers a lot cleaner and our lives a little bit better.

Let me return to the words of A.B. Guthrie. He described the exploitation of natural resources in the past. Then he said that ''we know better now.''

We do. We know better. And that knowledge gives us a responsibility. We must put our knowledge to constructive use. In this case, by cleaning up abandoned mine sites and other sources of pollution.

If we solve the problem, our grandchildren won't have to.

EXHIBIT 1

SUMMARY

The legislation is designed to eliminate the disincentives that currently exist in the Clean Water Act to the restoration of water quality through Good Samaritan cleanups of abandoned or inactive hardrock mines. To accomplish this, the legislation allows the federal government, states, tribes, and local governments that want to clean up an abandoned or inactive mining site to apply for a ''mine waste remediation'' permit instead of the typical Clean Water Act permit. The key to the mine waste remediation permit is that it allows Good Samaritans to improve water quality to the best of their ability rather than necessarily to achieve full compliance with water quality standards.

An application for a permit must be submitted to the Environmental Protection Agency and include a detailed plan describing the cleanup actions that the Good Samaritan will take to improve water quality. Applicants for a permit must make a reasonable search for parties who are responsible for the mine waste and therefore, are subject to full compliance with the Clean Water Act. Based on a review of the plan and obtaining public input, EPA can approve an application if no companies responsible for the mine waste are found and if the application ''demonstrates with reasonable certainty that the implementation of the plan will result in an improvement in water quality to the degree practicable, taking into consideration the resources available to the remediating party for the proposed remediation activity.'' EPA will develop and issue regulations that detail the specific contents of applications for mine waste remediation permits and may, on a case-by-case basis, issue regulations that impose ''more specific requirements that the Administrator determines'' are appropriate for individual mine sites.

Upon approval of a permit, the Good Samaritan proceeds with the planned cleanup. EPA plays a continuing role in monitoring the cleanup's progress, conducting periodic reviews to assure permit compliance. As with an ordinary Clean Water Act permit, both EPA and citizens can take legal action if a Good Samaritan fails to comply with the terms of a mine waste remediation permit. When the cleanup is completed, the permit is terminated and the Good Samaritan is not held responsible for any future discharges from the site.

The legislation is based on a proposal by the Western Governors Association (WGA), which worked extensively with the environmental community, mining industry, and the Administration in developing it. The staff of Senator Max Baucus has also worked with these groups and WGA in crafting the legislation. The Western Governors support this legislation and urge that it be enacted in this Congress.

Mr. BAUCUS. Mr. President, I ask unanimous consent that a letter of support from the Western Governors Association be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WESTERN GOVERNORS' ASSOCIATION,
Denver, CO, October 19, 1999.

Hon. MAX BAUCUS,
Senator of Montana, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BAUCUS: The Western Governors commend you for introducing the ''Good Samaritan Abandoned or Inactive Mine Waste Remediation Act.'' As stated in WGA Resolution 98–004 (attached), the Western Governors believe that there is a need to eliminate current disincentives in the Clean Water Act for voluntary, cooperative efforts aimed at improving and protecting water quality impacted by abandoned or inactive mines. We believe your bill could effectively and fairly eliminate such disincentives, and we therefore urge its passage this Congress.

Inactive or abandoned mines are responsible for threats and impairments to water quality throughout the western United States. Many also pose safety hazards from open adits and shafts. These historic mines pre-date modern federal and state environmental regulations which were enacted in the 1970s. Often a responsible party for these mines is not identifiable or not economically viable enough to be compelled to clean up the site. Many stream miles are impacted by drainage and runoff from such mines, creating significant adverse water quality impacts in several western states.

Recognizing the potential for economic, environmental and social benefits to downstream users of impaired streams, western states, municipalities, federal agencies, volunteer citizen groups and private parties have come together across the West to try to clean up some of these sites. However, due to questions of liability; many of these Good Samaritan efforts have been stymied.

To date, EPA policy and some case law have viewed inactive or abandoned mine drainage and runoff as problems that must be addressed under Section 402 of the CWA—the National Pollutant Discharge Elimination System (NPDES) permit program. This, however, has become an overwhelming disincentive for any voluntary cleanup efforts because of the liability that can be inherited for any discharges from an abandoned mine site remaining after cleanup, even though the volunteering remediating party had no previous responsibility or liability for the site, and has reduced the water quality impacts from the site by completing a cleanup project.

The ''Good Samaritan Abandoned or Inactive Mine Waste Remediation Act'' would amend the Clean Water Act to protect a remediating agency from becoming legally responsible for any continuing discharges from the abandoned mine site after completion of a cleanup project, provided that the remediating agency—or ''Good Samaritan''—does not otherwise have liability for that abandoned or inactive mine site and implements a cleanup project approved by EPA. The Western Governors support this bill, and urge that it be enacted this Congress.

Sincerely,

MARC RACICOT,
Governor of Montana, WGA Lead Governor.

BILL OWENS,
Governor of Colorado, WGA Lead Governor.

MICHAEL O. LEAVITT,
Governor of Utah.

POLICY RESOLUTION 98–004, CLEANING UP ABANDONED MINES

[Adopted June 29, 1998, Girdwood, Alaska]

A. BACKGROUND

1. Inactive or abandoned mines are responsible for threats and impairments to water quality throughout the western United States. Many also pose safety hazards from open adits and shafts. These historic mines pre-date modern federal and state environmental regulations which were enacted in the 1970s. Often a responsible party for these mines is not identifiable or not economically viable enough to be compelled to clean up the site. Thousands of stream miles are impacted by drainage and runoff from such mines, one of the largest sources of adverse water quality impacts in several western states.

2. Mine drainage and runoff problems are extremely complex and solutions are often highly site-specific. Although cost-effective management practices likely to reduce water quality impacts from such sites can be formulated, the specific improvement attainable through implementation of these practices cannot be predicted in advance. Moreover, such practices generally cannot eliminate all impacts and may not result in the attainment of water quality standards.

3. Cleanup of these abandoned mines and securing of open adits and shafts has not been a high funding priority for most state and federal agencies. Most of these sites are located in remote and rugged terrain and the risks they pose to human health and safety have been relatively small. That is changing, however, as the West has gained in population and increased tourism. Both of these factors are bringing people into closer contact with abandoned mines and their impacts.

4. Cleanup of abandoned mines is hampered by two issues—lack of funding and concerns about liability. Both of these issues are compounded by the land and mineral ownership patterns in mining districts. It is not uncommon to have private, federal, and state owned land side by side or intermingled. Sometimes the minerals under the ground are not owned by the same person or agency who owns the property. As a result, it is not uncommon for there to be dozens of parties with partial ownership or operational histories associated with a given site.

5. Recognizing the potential for economic, environmental and social benefits to downstream users of impaired streams, western states, municipalities, federal agencies, volunteer citizen groups and private parties have come together across the West to try to clean up some of these sites. However, due to questions of liability, many of these Good Samaritan efforts have been stymied.

a. To date, EPA policy and some case law have viewed inactive or abandoned mine drainage and runoff as problems that must be addressed under the Clean Water Act's (CWA) Section 402 National Pollutant Discharge Elimination System (NPDES) permit program. This, however, has become an overwhelming disincentive for any voluntary cleanup efforts because of the liability that can be inherited for any discharges from an abandoned mine site remaining after cleanup, even though the volunteering remediating party had no previous responsibility or liability for the site, and has reduced the water quality impacts from the site by completing a cleanup project.

b. The western states have developed a package of legislative language in the form of a proposed amendment to the Clean Water Act. The effect of the proposed amendment would be to eliminate the current disincentives in the Act for Good Samaritan cleanups of abandoned mines. Over the three years that the proposal was drafted, the states received extensive input from EPA, environmental groups, and the mining industry.

6. Liability concerns also prevent mining companies from going back into historic mining districts and remining old abandoned mine sites or doing volunteer cleanup work. While this could result in an improved environment, companies which are interested are justifiably hesitant to incur liability for cleaning up the entire abandoned mine site.

B. GOVERNORS' POLICY STATEMENT

Good Samaritan

1. The Western Governors believe that there is a need to eliminate disincentives to voluntary, cooperative efforts aimed at improving and protecting water quality impacted by abandoned or inactive mines.

2. The Western Governors believe the Clean Water Act should be anended to protect a remediating agency from becoming legally responsible under section 301(a) and section 402 of the CWA for any continuing discharges from the abandoned mine site after completion of a cleanup project, provided that their mediating agency—or ''Good Samaritan''—does not otherwise have liability for that abandoned or inactive mine site and attempts to improve the conditions at the site.

3. The Western Governors believe that Congress, as a priority, should amend the Clean Water Act in a manner that accomplishes the goals embodied in the WGA legislative package on Good Samaritan cleanups.

Cleanup and Funding

4. The governors support efforts to accelerate responsible and effective abandoned mine waste cleanup including the siting of joint waste repositories for cleanup wastes from abandoned mines on private, federal, and state lands. Liability concerns have hampered the siting of joint waste repositories leading to the more expensive and less environmentally responsible siting of multiple repositories. The governors urge the Bureau of Land Management and the U.S. Forest Service to develop policy encouraging the siting of joint waste repositories whenever they make economic and environmental sense.

5. The governors encourage federal land management agencies such as the Bureau of Land Management, Forest Service, and Park Service, as well as support agencies like the U.S. Environmental Protection Agency and the U.S. Geological Survey to coordinate their abandoned mine efforts with state efforts to avoid redundancy and unnecessary duplication. Federal and State tax dollars should be focused on working cooperatively to secure and clean up abandoned mine sites, not working separately to conduct expensive and time consuming inventories, research, and mapping efforts.

6. Other responsible approaches to accelerate abandoned mine cleanup should be investigated, including remining.

7. Reliable sources of funds should be made available for the cleanup of abandoned mines in the West.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. WGA staff shall transmit a copy of this resolution and the proposed WGA legislative package on Good Samaritan cleanups to the President, the Secretary of the Interior, Secretary of Agriculture, Administrator of the Environmental Protection Agency, and Chairmen of the appropriate House and Senate Committees.

2. WGA staff shall work with the mining industry, environmental interests, and federal agency representatives to explore options to accelerate abandoned mine cleanup through remining and report back to the Governors at the 1999 WGA Annual Meeting.

3. WGA shall continue to work cooperatively with the National Mining Association, federal agencies, and other interested stakeholders to examine other mechanisms to accelerate responsible cleanup and securing of abandoned mines.

Approval of a WGA resolution requires an affirmative vote of two-thirds of the Board of the Directors present at the meeting. Dissenting votes, if any, are indicated in the resolution. The Board of Directors is comprised of the governors of Alaska, American Samoa, Arizona, California, Colorado, Guam, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Northern Mariana Islands, Oregon, South Dakota, Texas, Utah, Washington and Wyoming.

By Mr. GORTON (for himself and Mr. LIEBERMAN):

S. 1789. A bill to provide a rotating schedule for regional selection of delegates to a national Presidential nominating convention, and for other purposes; to the Committee on Rules and Administration.

THE REGIONAL PRESIDENTIAL SELECTION ACT OF 1999

Mr. GORTON. Mr. President, the 2000 presidential election has already captured the interest of the national media, and once again the media struggles to make sense of one of this nation's most complex and confusing practices—the presidential nomination system. It is a tenet in this country, the greatest democracy in the world, that all citizens have an equal voice in choosing who will be the nominees for the final race for President of the United States. If there is one thing that has remained constant in the American system, it is democratic participation in our electoral process—a basic creed that has guided us toward wider participation and more direct election of our leaders. Ironically, however, every four years we are witnesses to the fact that the current system by which this country chooses its presidential nominees is not only arbitrary, but in many ways incompatible with the notion of equal participation in the nominating process.

One of the most memorable political cartoons I have had the pleasure of reading was drawn during the 1996 election by the cartoonist for a local paper in my home state of Washington. This cartoon illustrates just how bizarre the current presidential primary process really is. The cartoon features Benjamin Franklin, Thomas Jefferson, and Alexander Hamilton brainstorming at the Constitutional Convention. Ben Franklin turns to his colleagues in jest and rattles off an idea for the presidential election system. He reads from his sheet of paper,

> The President shall be chosen from among those persons who can hone complex ideas into simplistic sound bites, defame the character of their opponents, hide their own blemishes from an intrusive swarming press corps and—get this—win the most votes from a tiny number of citizens in a remote corner of New England!

To which Alexander Hamilton replies,

> Very droll Franklin, you're quite the comedian.

Mr. President, I agree with the cartoonist that what our Founding Fathers would have regarded as a ridiculous way to choose a president is now reality. It is no joke—this IS how our Presidential nominating system works.

For some time Members of Congress, party activists, the states, and academics have all advocated reform of the Presidential nominating system in this country. The flaws in our current system are obvious. The system is unstructured, confusing, and it gives small states that hold early primaries or caucuses a disproportionate amount of influence on the final outcome. The lack of uniformity and clear guidelines in the system creates a system whereby states compete for an early position in the nominating process in order to attract candidates and to have some kind of influence in the nominating process. Small to middle-sized states that select delegates later in the game risk being shut out of the process all together and face having a limited role in choosing the Presidential nominee. While the 2000 primary schedule has not yet been solidified, the first primary will be held at the earliest date in history, and an alarming number of states have moved or are considering moving their primary earlier in the year with the hope of influencing the nomination process.

Clearly, the system does not allow for equal participation by all the states. It undermines the ideal of equal participation in the electoral process by giving certain states, year after year, far more leverage than others. This unequal balance of power, if you will, compromises the integrity of the nominating process.

At this time, while this country's Presidential nominating system again begins to receive national attention, I believe it is fundamental that the American people and this Congress begin discussing methods to improve the current system and introduce reforms to encourage wider participation and more direct nomination of Presidential candidates.

I am introducing, today, a bill to provide for a rotating regional selection system for the nomination of candidates for Presidential elections. This bill will establish four regions comprised of 12–13 states from the same geographic area in the country. All states in a region will hold primaries or caucuses on the same date either the first Tuesday in March, April, May, or June and no region will vote in the same month. The order in which each region votes will rotate with each presidential election cycle, allowing each region to have the opportunity to be the first, second, third, and last region in the country to vote.

This bill introduces much needed uniformity and structure to a system that lacks real composition. It will eliminate the drive by the States to gain ''first-in-the-nation'' status and the ability for one or two small states to influence the entire nomination process. Under this plan each state will have equal opportunity to participate and influence the nomination process. This bill will also establish greater uniformity and structure by instituting much needed guidelines for states, delegate selection, and the role of Federal Election Commission.

Obviously, since we are well into the presidential nomination process for the 2000 Presidential race this bill, if enacted, will apply to 2004 and election years thereafter.

In summary, Mr. President, I look forward to discussing this proposal with my colleagues in the coming weeks and months. I believe it is imperative that we do everything we can to improve the practice by which we nominate our country's leader.

Mr. LIEBERMAN. Mr. President. I am happy to join Senator GORTON in introducing a bill that we hope will restore some common sense to the way the country chooses party nominees for president. As Senator GORTON already has explained well, anyone taking a objective look at the current primary and caucus system could reach only one conclusion: it makes very little sense.

Our primary system was meant to serve a very important purpose: to determine the two—or perhaps three—individuals who will have the opportunity to compete for the most powerful office in our nation, and perhaps in the world. Given the importance of the process, it is critical that it be a fair one, one that tests the mettle and the ideas of all of the candidates, one that allows the voters to hear and weigh the views of those seeking their parties' nominations, and one that gives the primary electorate—the whole, national primary electorate—a chance to choose the person they think will best represent them and their views in the ultimate contest to determine who will become President of the United States.

But that just isn't happening now. Instead of a system that tests a candidate's character and his ability to offer reasoned opinions over the long haul, we have an increasingly compressed schedule, one in which States whose primaries once were spread out over months now compete to see who can hold their contests the earliest, and candidates compete to see who can raise more money than everyone else before the first primary voters ever step foot into the election booth. That ''money primary'' has already eliminated four of the Republican candidates for President.

This is no way for the world's greatest democracy to choose its leader. As Senator GORTON already has explained, the bill we are proposing today offers an alternative system, one that can restore the primary season to what it should be: a contest of candidates discussing their ideas for America's future. By creating a series of regional primaries, we will make it more likely that all areas of the country have input into the nominee selection process, and that the candidates and their treasuries will not be stretched so thin by primaries all over the country on the same day. By spreading out the primaries over a four-month period, we have a chance to return to the days when the electorate had an opportunity to evaluate the candidates over time, and where voters—not just financial contributors—had decided who the parties' nominees will be.

Anyone looking at the current system knows it has to change. I hope that we can make that happen before the 2004 campaign begins.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1790. A bill to provide for the issuance of a promotion, research, and information order applicable to certain handlers of Hass avocados; to the Committee on Agriculture, Nutrition, and Forestry.

THE HASS AVOCADO PROMOTION, RESEARCH AND INFORMATION ACT OF 1999

Mrs. FEINSTEIN. Mr. President, I rise today to introduce legislation that will create a national promotion, research and information program for Hass avocados. This industry-financed promotion program will help farmers without costing taxpayers any money.

This legislation provides California's 6,000 Hass avocado growers with the ability to achieve together that which would not be possible alone—the establishment of a national program to enhance avocado marketing and consumption. Pooled industry resources create the potential for an impact much greater than what would be possible through a solely state-funded program.

Like producers who have successful national promotion programs, including those for beef, cotton, dairy, eggs, pork and soybeans, producers of Hass avocados are seeking a new vehicle for expanding the consumer market for avocados. A nationwide promotion program would provide the avocado industry with the means to market avocados to a much wider consumer audience, and build demand at a time when the aggregate supply of avocados is rapidly increasing.

California has a long history of state marketing programs for its many diverse agricultural commodities. In fact, the avocado industry has long benefitted from an innovative state grower-funded program administered by the California Avocado Commission.

In recent years, however, increasing imports are supplying a larger share of the U.S. consumer market. In 1998, for example, import levels reached 100 million pounds, or nearly one-third the size of U.S. avocado production. If not offset by increased demand, this rapid escalation of supply will lead to market instability. Given this dynamic, it is only fair that the cost of a national promotion program be shared fairly among importers and domestic producers.

The ''Hass Avocado Promotion, Research and Information Act of 1999'' is a self-help national checkoff program that will allow avocado growers to fund and operate a coordinated marketing effort to expand domestic and foreign markets. The avocado promotion program will be operated at no cost to the federal government and will be funded by U.S. Hass avocado growers and Hass avocado importers.

The key elements of this avocado promotion legislation include: (1) an 11-member Hass Avocado Board comprised of both domestic producers and importers; (2) new programs for the advertising and promotion of avocados to develop new markets; (3) research on the sale, distribution, use, quality or nutritional value of avocados; (4) an up-front referendum of qualified producers and importers during a 60-day period preceding the effective date of the Secretary of Agriculture's implementing order; and (5) an initial assessment rate on Hass avocados on 2.5 cent per pound.

Hass avocados are an integral food source in the United States and are a valuable and healthy part of the human diet. Avocados are enjoyed by millions of persons every year for a multitude of every day and special occasions. The maintenance and expansion of existing markets and the development of new markets and uses for Hass avocados is needed to preserve and strengthen the economic viability of the domestic Hass avocado industry for the benefit of producers and the benefit of other persons marketing, processing and consuming Hass avocados.

Agricultural commodity promotion programs are a proven means of increasing market share for commodities. The Hass avocado growers in my state want to have a program that will help increase their market share of the consumer food dollar. California's Hass avocado growers have made extensive efforts over the last two years to unify the industry, which has resulted in the development of this highly supported national promotion program. The 1996–1997 value of domestic Hass avocado production was $259 million—a substantial market that could be even greater if properly promoted.

This national avocado promotion program is an opportunity for Congress to help an agricultural industry create increased economic activity and job opportunities, with no expenditure of tax collars. I urge you to support this important legislation.

By Mr. CAMPBELL (for himself and Mr. LIEBERMAN):

S. 1791. A bill to authorize the Librarian of Congress to purchase papers of Dr. Martin Luther King, Junior, from Dr. King's estate; to the Committee on Rules and Administration.

THE MARTIN LUTHER KING, JUNIOR PAPERS PRESERVATION ACT

Mr. CAMPBELL. Mr. President, today I am introducing legislation that would authorize the Librarian of Congress to acquire Dr. Martin Luther King, Junior's personal papers from his estate. I am pleased to be joined in this important initiative by my friend and colleague from Connecticut, Senator JOE LIEBERMAN. This bill is a companion to H.R. 2963, which was introduced by our colleagues in the House of Representatives, Congressman JAMES CLYBURN and Congressman J.C. WATTS.

Dr. King, as a minister, civil rights leader, prolific writer and Nobel Prize winner, was deeply committed to nonviolence in the struggle for civil rights. He is quite possibly the most important and influential black leader in American history.

When Dr. King was tragically assassinated on April 4, 1968, he was in his prime, after having emerged as a true national hero and a chief advocate of peacefully uniting a racially divided nation. He strove to build communities of hope and opportunity for all. He recognized that all Americans must be free if we are to live in a truly great nation.

The acquisition of Dr. King's papers would permanently place them in the public domain. People from all over the United States, and the entire world, would have direct access to these important historic documents. Those people studying his life's work would have access to his messages of justice and peace, and also to reflect on the civil rights struggle. The Library of Congress would be the perfect place for these papers which already houses other great works of original American freedom fighters such as Frederick Douglass and Thurgood Marshall. It is altogether fitting that these documents be together under one roof.

Dr. King was a person who wanted all people to get along regardless of their race, color or creed. His call to all of us, that we should judge by the content of one's character rather than by the color of one's skin, sums up the very core of how we can all peacefully live together as well as any other words ever spoken.

The establishment of Martin Luther King, Jr. Day as a national holiday was the result of the work of many determined people who wanted to ensure that we and future generations duly honor and remember his legacy. In fact, our tradition of honoring Dr. King took another step forward when just yesterday the President signed into law S. 322, a bill I introduced earlier this year that authorizes the flying of the American flag on Martin Luther King Day, in addition to all of our nation's national holidays. The bill I introduce today builds on this work and will ensure that Dr. King's legacy is preserved for generations to come.

I urge my colleagues to join me in supporting this important bill. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1791

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as ''The Dr. Martin Luther King, Junior Papers Preservation Act''.

SEC. 2. PURCHASE OF MARTIN LUTHER KING PAPERS BY LIBRARIAN OF CONGRESS.

(a) IN GENERAL.—The Librarian of Congress is authorized to acquire or purchase papers of Dr. Martin Luther King, Junior, from Dr. King's estate.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Librarian of Congress such sums as may be necessary to carry out this Act.

By Mr. ROTH:

S. 1792. An original bill to amend the Internal Revenue Code of 1986 to extend expiring provisions, to fully allow the nonrefundable personal credits against regular tax liability, and for other purposes; from the Committee on Finance; placed on the calendar.

TAX RELIEF EXTENSION ACT OF 1999

Mr. ROTH. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Tax Relief Extension Act of 1999''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—EXTENSION OF EXPIRED AND EXPIRING PROVISIONS

SEC. 101. EXTENSION OF MINIMUM TAX RELIEF FOR INDIVIDUALS.

(a) IN GENERAL.—The second sentence of section 26(a) (relating to limitations based on amount of tax) is amended by striking ''1998'' and inserting ''calendar year 1998, 1999, or 2000''.

(b) CHILD CREDIT.—Section 24(d)(2) (relating to reduction of credit to taxpayer subject to alternative minimum tax) is amended by striking ''December 31, 1998'' and inserting ''December 31, 2000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 127(d) (relating to termination) is amended by striking ''May 31, 2000'' and inserting ''December 31, 2000''.

(b) REPEAL OF LIMITATION ON GRADUATE EDUCATION.—

(1) IN GENERAL.—The last sentence of section 127(c)(1) (defining educational assistance) is amended by striking '', and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to expenses relating to courses beginning after December 31, 1999.

SEC. 103. EXTENSION OF RESEARCH AND EXPERIMENTATION CREDIT AND INCREASE IN RATES FOR ALTERNATIVE INCREMENTAL RESEARCH CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Section 41(h) (relating to termination) is amended—

(A) by striking ''June 30, 1999'' and inserting ''December 31, 2000'',

(B) by striking ''36-month'' and inserting ''54-month'', and

(C) by striking ''36 months'' and inserting ''54 months''.

(2) CONFORMING AMENDMENT.—Section 45C(b)(1)(D) is amended by striking ''June 30, 1999'' and inserting ''December 31, 2000''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1999.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking ''1.65 percent'' and inserting ''2.65 percent'',

(B) by striking ''2.2 percent'' and inserting ''3.2 percent'', and

(C) by striking ''2.75 percent'' and inserting ''3.75 percent''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1999.

(c) EXTENSION OF RESEARCH CREDIT TO RESEARCH IN PUERTO RICO AND THE POSSESSIONS OF THE UNITED STATES.—

(1) IN GENERAL.—Section 41(d)(4)(F) (relating to foreign research) is amended by inserting '', the Commonwealth of Puerto Rico, or any possession of the United States'' after ''United States''.

(2) DENIAL OF DOUBLE BENEFIT.—Section 280C(c)(1) is amended by inserting ''or credit'' after ''deduction'' each place it appears.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1999.

SEC. 104. EXTENSION OF EXCEPTIONS UNDER SUBPART F FOR ACTIVE FINANCING INCOME.

(a) IN GENERAL.—Sections 953(e)(10) and 954(h)(9) (relating to application) are each amended—

(1) by striking ''the first taxable year'' and inserting ''taxable years'',

(2) by striking ''January 1, 2000'' and inserting ''January 1, 2001'', and

(3) by striking ''within which such'' and inserting ''within which any such''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 105. EXTENSION OF SUSPENSION OF NET INCOME LIMITATION ON PERCENTAGE DEPLETION FROM MARGINAL OIL AND GAS WELLS.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) (relating to temporary suspension of taxable limit with respect to marginal production) is amended by striking ''January 1, 2000'' and inserting ''January 1, 2001''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 106. EXTENSION OF WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK TAX CREDIT.

(a) TEMPORARY EXTENSION.—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking ''June 30, 1999'' and inserting ''December 31, 2000''.

(b) CLARIFICATION OF FIRST YEAR OF EMPLOYMENT.—Paragraph (2) of section 51(i) is amended by striking ''during which he was not a member of a targeted group''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after June 30, 1999.

SEC. 107. EXTENSION AND MODIFICATION OF TAX CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) EXTENSION AND MODIFICATION OF PLACED-IN-SERVICE RULES.—Paragraph (3) of section 45(c) is amended to read as follows:

''(3) QUALIFIED FACILITY.—

''(A) WIND FACILITY.—In the case of a facility using wind to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 1993, and before January 1, 2001.

''(B) CLOSED-LOOP BIOMASS FACILITY.—In the case of a facility using closed-loop biomass to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is—

''(i) originally placed in service after December 31, 1992, and before January 1, 2001, or

''(ii) originally placed in service before December 31, 1992, and modified to use closed-loop biomass to co-fire with coal after such date and before January 1, 2001.

''(C) BIOMASS FACILITY.—In the case of a facility using biomass (other than closed-loop biomass) to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service before January 1, 2001.

''(D) LANDFILL GAS OR POULTRY WASTE FACILITY.—

''(i) IN GENERAL.—In the case of a facility using landfill gas or poultry waste to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after December 31, 1999, and before January 1, 2001.

''(ii) LANDFILL GAS.—In the case of a facility using landfill gas, such term shall include equipment and housing (not including wells and related systems required to collect and transmit gas to the production facility) required to generate electricity which are owned by the taxpayer and so placed in service.

''(E) SPECIAL RULE.—In the case of a qualified facility described in subparagraph (B) or (C) using coal to co-fire with biomass, the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than January 1, 2000.''

(b) EXPANSION OF QUALIFIED ENERGY RESOURCES.—

(1) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting a comma, and by adding at the end the following new subparagraphs:

''(C) biomass (other than closed-loop biomass),

''(D) landfill gas, and

''(E) poultry waste.''

(2) DEFINITIONS.—Section 45(c), as amended by subsection (a), is amended by redesignating paragraph (3) as paragraph (6) and inserting after paragraph (2) the following new paragraphs:

''(3) BIOMASS.—The term 'biomass' means any solid, nonhazardous, cellulosic waste material which is segregated from other waste materials and which is derived from—

''(A) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, but not including old-growth timber,

''(B) urban sources, including waste pallets, crates, and dunnage, manufacturing and construction wood wastes, and landscape or right-of-way tree trimmings, but not including unsegregated municipal solid waste (garbage) or paper that is commonly recycled, or

''(C) agriculture sources, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues.

''(4) LANDFILL GAS.—The term 'landfill gas' means gas from the decomposition of any household solid waste, commercial solid waste, and industrial solid waste disposed of in a municipal solid waste landfill unit (as such terms are defined in regulations promulgated under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.)).

''(5) POULTRY WASTE.—The term 'poultry waste' means poultry manure and litter, including wood shavings, straw, rice hulls, and other bedding material for the disposition of manure.''

(c) SPECIAL RULES.—Section 45(d) (relating to definitions and special rules) is amended by adding at the end the following new paragraphs:

''(6) CREDIT ELIGIBILITY IN THE CASE OF GOVERNMENT-OWNED FACILITIES USING POULTRY WASTE.—In the case of a facility using poultry waste to produce electricity and owned by a governmental unit, the person eligible for the credit under subsection (a) is the lessor or the operator of such facility.

''(7) PROPORTIONAL CREDIT FOR FACILITY USING COAL TO CO-FIRE WITH BIOMASS.—In the case of a qualified facility described in subparagraph (B) or (C) of subsection (c)(6) using coal to co-fire with biomass, the amount of the credit determined under subsection (a) for the taxable year shall be reduced by the percentage coal comprises (on a Btu basis) of the average fuel input of the facility for the taxable year.

''(8) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section with respect to a facility for any taxable year if the credit under section 29 is allowed in such year or has been allowed in any preceding taxable year with respect to any fuel produced from such facility.''

(d) CONFORMING AMENDMENT.—Section 29(d) (relating to other definitions and special rules) is amended by adding at the end the following new paragraph:

''(9) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section with respect to any fuel produced from a facility for any taxable year if the credit under section 45 is allowed in such year or has been allowed in any preceding taxable year with respect to such facility.''

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 108. EXPANSION OF BROWNFIELDS ENVIRONMENTAL REMEDIATION.

(a) IN GENERAL.—Section 198(c) is amended to read as follows:

''(c) QUALIFIED CONTAMINATED SITE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified contaminated site' means any area—

''(A) which is held by the taxpayer for use in a trade or business or for the production of income, or which is property described in section 1221(1) in the hands of the taxpayer, and

''(B) at or on which there has been a release (or threat of release) or disposal of any hazardous substance.

''(2) NATIONAL PRIORITIES LISTED SITES NOT INCLUDED.—Such term shall not include any site which is on, or proposed for, the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as in effect on the date of the enactment of this section).

''(3) TAXPAYER MUST RECEIVE STATEMENT FROM STATE ENVIRONMENTAL AGENCY.—An area shall be treated as a qualified contaminated site with respect to expenditures paid or incurred during any taxable year only if the taxpayer receives a statement from the appropriate environmental agency of the State in which such area is located that such area meets the requirement of paragraph (1)(B).

''(4) APPROPRIATE STATE AGENCY.—For purposes of paragraph (3), the chief executive officer of each State may, in consultation with the Administrator of the Environmental Protection Agency, designate the appropriate State environmental agency within 60 days of the date of the enactment of this section. If the chief executive officer of a State has not designated an appropriate State environmental agency within such 60-day period, the appropriate environmental agency for such State shall be designated by the Administrator of the Environmental Protection Agency.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 1999.

SEC. 109. TEMPORARY INCREASE IN AMOUNT OF RUM EXCISE TAX COVERED OVER TO PUERTO RICO AND VIRGIN ISLANDS.

(a) IN GENERAL.—Section 7652(f)(1) (relating to limitation on cover over of tax on distilled spirits) is amended to read as follows:

''(1) $10.50 ($13.50 in the case of distilled spirits brought into the United States after June 30, 1999, and before January 1, 2001), or''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall take effect on July 1, 1999.

(2) SPECIAL RULE.—

(A) IN GENERAL.—For the period beginning after June 30, 1999, and before January 1, 2001, the treasury of Puerto Rico shall make a Conservation Trust Fund transfer within 30 days from the date of each cover over payment made during such period to such treasury under section 7652(e) of the Internal Revenue Code of 1986.

(B) CONSERVATION TRUST FUND TRANSFER.—

(i) IN GENERAL.—For purposes of this paragraph, the term ''Conservation Trust Fund transfer'' means a transfer to the Puerto Rico Conservation Trust Fund of an amount equal to 50 cents per proof gallon of the taxes imposed under section 5001 or section 7652 of such Code on distilled spirits that are covered over to the treasury of Puerto Rico under section 7652(e) of such Code.

(ii) TREATMENT OF TRANSFER.—Each Conservation Trust Fund transfer shall be treated as principal for an endowment, the income from which to be available for use by the Puerto Rico Conservation Trust Fund for the purposes for which the Trust Fund was established.

(iii) RESULT OF NONTRANSFER.—

(I) IN GENERAL.—Upon notification by the Secretary of the Interior that a Conservation Trust Fund transfer has not been made by the treasury of Puerto Rico during the period described in subparagraph (A), the Secretary of the Treasury shall, except as provided in subclause (II), deduct and withhold from the next cover over payment to be made to the treasury of Puerto Rico under section 7652(e) of such Code an amount equal to the appropriate Conservation Trust Fund transfer and interest thereon at the underpayment rate established under section 6621 of such Code as of the due date of such transfer. The Secretary of the Treasury shall transfer such amount deducted and withheld, and the interest thereon, directly to the Puerto Rico Conservation Trust Fund.

(II) GOOD CAUSE EXCEPTION.—If the Secretary of the Interior finds, after consultation with the Governor of Puerto Rico, that the failure by the treasury of Puerto Rico to make a required transfer was for good cause, and notifies the Secretary of the Treasury of the finding of such good cause before the due date of the next cover over payment following the notification of nontransfer, then the Secretary of the Treasury shall not deduct the amount of such nontransfer from any cover over payment.

(C) PUERTO RICO CONSERVATION TRUST FUND.—For purposes of this paragraph, the term ''Puerto Rico Conservation Trust Fund'' means the fund established pursuant to a Memorandum of Understanding between the United States Department of the Interior and the Commonwealth of Puerto Rico, dated December 24, 1968.

SEC. 110. DELAY REQUIREMENT THAT REGISTERED MOTOR FUELS TERMINALS OFFER DYED FUEL AS A CONDITION OF REGISTRATION.

Subsection (f)(2) of section 1032 of the Taxpayer Relief Act of 1997, as amended by section 9008 of the Transportation Equity Act for the 21st Century, is amended by striking ''July 1, 2000'' and inserting ''January 1, 2001''.

SEC. 111. EXTENSION OF PRODUCTION CREDIT FOR FUEL PRODUCED BY CERTAIN GASIFICATION FACILITIES.

(a) IN GENERAL.—Section 29(g)(1)(A) (relating to extension for certain facilities) is amended by striking ''July 1, 1998'' and inserting ''July 1, 2000''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to fuels produced on and after July 1, 1998.

(c) SPECIAL RULE.—

(1) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, the credit determined under section 29 of such Code which is otherwise allowable under such Code by reason of the amendment made by subsection (a) and which is attributable to the suspension period shall not be taken into account prior to October 1, 2004. On or after such date, such credit may be taken into account through the filing of an amended return, an application for expedited refund, an adjustment of estimated taxes, or other means allowed by such Code. Interest shall not be allowed under section 6511(a) of such Code on any overpayment attributable to such credit for any period before the 45th day after the credit is taken into account under the preceding sentence.

(2) SUSPENSION PERIOD.—For purposes of this subsection, the suspension period is the period beginning on July 1, 1998, and ending on September 30, 2004.

(3) EXPEDITED REFUNDS.—

(A) IN GENERAL.—If there is an overpayment of tax with respect to a taxable year by reason of paragraph (1), the taxpayer may file an application for a tentative refund of such overpayment. Such application shall be in such manner and form, and contain such information, as the Secretary may prescribe.

(B) DEADLINE FOR APPLICATIONS.—Subparagraph (A) shall apply only to applications filed before October 1, 2005.

(C) ALLOWANCE OF ADJUSTMENTS.—Not later than 90 days after the date on which an application is filed under this paragraph, the Secretary shall—

(i) review the application,

(ii) determine the amount of the overpayment, and

(iii) apply, credit, or refund such overpayment,

in a manner similar to the manner provided in section 6411(b) of such Code.

(D) CONSOLIDATED RETURNS.—The provisions of section 6411(c) of such Code shall apply to an adjustment under this paragraph in such manner as the Secretary may provide.

(4) CREDIT ATTRIBUTABLE TO SUSPENSION PERIOD.—For purposes of this subsection, in the case of a taxable year which includes a portion of the suspension period, the amount of credit determined under section 29 of such Code for such taxable year which is attributable to such period is the amount which bears the same ratio to the amount of credit determined under such section 29 for such taxable year as the number of months in the suspension period which are during such taxable year bears to the number of months in such taxable year.

(5) WAIVER OF STATUTE OF LIMITATIONS.—If, on October 1, 2004 (or at any time within the 1-year period beginning on such date) credit or refund of any overpayment of tax resulting from the provisions of this subsection is barred by any law or rule of law, credit or refund of such overpayment shall, nevertheless, be allowed or made if claim therefore is filed before the date 1 year after October 1, 2004.

(6) SECRETARY.—For purposes of this subsection, the term ''Secretary'' means the Secretary of the Treasury (or such Secretary's delegate).

TITLE II—REVENUE OFFSET PROVISIONS

Subtitle A—General Provisions

SEC. 201. MODIFICATION OF INDIVIDUAL ESTIMATED TAX SAFE HARBOR.

(a) IN GENERAL.—The table contained in clause (i) of section 6654(d)(1)(C) (relating to limitation on use of preceding year's tax) is amended by striking all matter beginning with the item relating to 1999 or 2000 and inserting the following new items:

''1999	110.5
2000	106
2001	112
2002	110
2003	112
2004 or thereafter	110''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any installment payment for taxable years beginning after December 31, 1999.

SEC. 202. MODIFICATION OF FOREIGN TAX CREDIT CARRYOVER RULES.

(a) IN GENERAL.—Section 904(c) (relating to limitation on credit) is amended—

(1) by striking ''in the second preceding taxable year,'', and

(2) by striking ''or fifth'' and inserting ''fifth, sixth, or seventh''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to credits arising in taxable years beginning after December 31, 1999.

SEC. 203. CLARIFICATION OF TAX TREATMENT OF INCOME AND LOSS ON DERIVATIVES.

(a) IN GENERAL.—Section 1221 (defining capital assets) is amended—

(1) by striking ''For purposes'' and inserting the following:

''(a) IN GENERAL.—For purposes'',

(2) by striking the period at the end of paragraph (5) and inserting a semicolon, and

(3) by adding at the end the following:

''(6) any commodities derivative financial instrument held by a commodities derivatives dealer, unless—

''(A) it is established to the satisfaction of the Secretary that such instrument has no connection to the activities of such dealer as a dealer, and

''(B) such instrument is clearly identified in such dealer's records as being described in subparagraph (A) before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe);

''(7) any hedging transaction which is clearly identified as such before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe); or

''(8) supplies of a type regularly used or consumed by the taxpayer in the ordinary course of a trade or business of the taxpayer.

''(b) DEFINITIONS AND SPECIAL RULES.—

''(1) COMMODITIES DERIVATIVE FINANCIAL INSTRUMENTS.—For purposes of subsection (a)(6)—

''(A) COMMODITIES DERIVATIVES DEALER.—The term 'commodities derivatives dealer' means a person which regularly offers to enter into, assume, offset, assign, or terminate positions in commodities derivative financial instruments with customers in the ordinary course of a trade or business.

''(B) COMMODITIES DERIVATIVE FINANCIAL INSTRUMENT.—

''(i) IN GENERAL.—The term 'commodities derivative financial instrument' means any contract or financial instrument with respect to commodities (other than a share of stock in a corporation, a beneficial interest in a partnership or trust, a note, bond, debenture, or other evidence of indebtedness, or a section 1256 contract (as defined in section 1256(b)), the value or settlement price of which is calculated by or determined by reference to a specified index.

''(ii) SPECIFIED INDEX.—The term 'specified index' means any one or more or any combination of—

''(I) a fixed rate, price, or amount, or

''(II) a variable rate, price, or amount,

which is based on any current, objectively determinable financial or economic information with respect to commodities which is not within the control of any of the parties to the contract or instrument and is not unique to any of the parties' circumstances.

''(2) HEDGING TRANSACTION.—

''(A) IN GENERAL.—For purposes of this section, the term 'hedging transaction' means any transaction entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily—

''(i) to manage risk of price changes or currency fluctuations with respect to ordinary property which is held or to be held by the taxpayer,

''(ii) to manage risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, by the taxpayer, or

''(iii) to manage such other risks as the Secretary may prescribe in regulations.

''(B) TREATMENT OF NONIDENTIFICATION OR IMPROPER IDENTIFICATION OF HEDGING TRANSACTIONS.—Notwithstanding subsection (a)(7), the Secretary shall prescribe regulations to properly characterize any income, gain, expense, or loss arising from a transaction—

''(i) which is a hedging transaction but which was not identified as such in accordance with subsection (a)(7), or

''(ii) which was so identified but is not a hedging transaction.

''(3) REGULATIONS.—The Secretary shall prescribe such regulations as are appropriate to carry out the purposes of paragraph (6) and (7) of subsection (a) in the case of transactions involving related parties.''.

(b) MANAGEMENT OF RISK.—

(1) Section 475(c)(3) is amended by striking ''reduces'' and inserting ''manages''.

(2) Section 871(h)(4)(C)(iv) is amended by striking ''to reduce'' and inserting ''to manage''.

(3) Clauses (i) and (ii) of section 988(d)(2)(A) are each amended by striking ''to reduce'' and inserting ''to manage''.

(4) Paragraph (2) of section 1256(e) is amended to read as follows:

''(2) DEFINITION OF HEDGING TRANSACTION.—For purposes of this subsection, the term 'hedging transaction' means any hedging transaction (as defined in section 1221(b)(2)(A)) if, before the close of the day on which such transaction was entered into (or such earlier time as the Secretary may prescribe by regulations), the taxpayer clearly identifies such transaction as being a hedging transaction.''.

(c) CONFORMING AMENDMENTS.—

(1) Each of the following sections are amended by striking ''section 1221'' and inserting ''section 1221(a)'':

(A) Section 170(e)(3)(A).
(B) Section 170(e)(4)(B).
(C) Section 367(a)(3)(B)(i).
(D) Section 818(c)(3).
(E) Section 865(i)(1).
(F) Section 1092(a)(3)(B)(ii)(II).
(G) Subparagraphs (C) and (D) of section 1231(b)(1).
(H) Section 1234(a)(3)(A).

(2) Each of the following sections are amended by striking ''section 1221(1)'' and inserting ''section 1221(a)(1)'':

(A) Section 198(c)(1)(A)(i).
(B) Section 263A(b)(2)(A).
(C) Clauses (i) and (iii) of section 267(f)(3)(B).
(D) Section 341(d)(3).
(E) Section 543(a)(1)(D)(i).
(F) Section 751(d)(1).
(G) Section 775(c).
(H) Section 856(c)(2)(D).
(I) Section 856(c)(3)(C).
(J) Section 856(e)(1).
(K) Section 856(j)(2)(B).
(L) Section 857(b)(4)(B)(i).
(M) Section 857(b)(6)(B)(iii).
(N) Section 864(c)(4)(B)(iii).
(O) Section 864(d)(3)(A).
(P) Section 864(d)(6)(A).
(Q) Section 954(c)(1)(B)(iii).
(R) Section 995(b)(1)(C).
(S) Section 1017(b)(3)(E)(i).
(T) Section 1362(d)(3)(C)(ii).
(U) Section 4662(c)(2)(C).
(V) Section 7704(c)(3).
(W) Section 7704(d)(1)(D).
(X) Section 7704(d)(1)(G).
(Y) Section 7704(d)(5).

(3) Section 818(b)(2) is amended by striking ''section 1221(2)'' and inserting ''section 1221(a)(2)''.

(4) Section 1397B(e)(2) is amended by striking ''section 1221(4)'' and inserting ''section 1221(a)(4)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any instrument held, acquired, or entered into, any transaction entered into, and supplies held or acquired on or after the date of the enactment of this Act.

SEC. 204. INCLUSION OF CERTAIN VACCINES AGAINST STREPTOCOCCUS PNEUMONIAE TO LIST OF TAXABLE VACCINES.

(a) INCLUSION OF VACCINES.—

(1) IN GENERAL.—Section 4132(a)(1) (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

''(L) Any conjugate vaccine against streptococcus pneumoniae.''

(2) EFFECTIVE DATE.—

(A) SALES.—The amendment made by this subsection shall apply to vaccine sales beginning on the day after the date on which the Centers for Disease Control makes a final recommendation for routine administration to children of any conjugate vaccine against streptococcus pneumoniae, but shall not take effect if subsection (b) does not take effect.

(B) DELIVERIES.—For purposes of subparagraph (A), in the case of sales on or before the date described in such subparagraph for which delivery is made after such date, the delivery date shall be considered the sale date.

(b) VACCINE TAX AND TRUST FUND AMENDMENTS.—

(1) Sections 1503 and 1504 of the Vaccine Injury Compensation Program Modification Act (and the amendments made by such sections) are hereby repealed.

(2) Subparagraph (A) of section 9510(c)(1) is amended by striking ''August 5, 1997'' and inserting ''October 21, 1998''.

(3) The amendments made by this subsection shall take effect as if included in the provisions of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 to which they relate.

(c) REPORT.—Not later than January 31, 2000, the Comptroller General of the United States shall prepare and submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the operation of the Vaccine Injury Compensation Trust Fund and on the adequacy of such Fund to meet future claims made under the Vaccine Injury Compensation Program.

SEC. 205. EXPANSION OF REPORTING OF CANCELLATION OF INDEBTEDNESS INCOME.

(a) IN GENERAL.—Paragraph (2) of section 6050P(c) (relating to definitions and special rules) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by inserting after subparagraph (C) the following new subparagraph:

''(D) any organization a significant trade or business of which is the lending of money.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to discharges of indebtedness after December 31, 1999.

SEC. 206. IMPOSITION OF LIMITATION ON PREFUNDING OF CERTAIN EMPLOYEE BENEFITS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) (relating to exception for 10 or more employer plans) is amended to read as follows:

''(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are 1 or more of the following:

''(i) Medical benefits.

''(ii) Disability benefits.

''(iii) Group term life insurance benefits which do not provide directly or indirectly for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.''

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) (defining disqualified benefit) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING

LIMITS.—For purposes of paragraph (1)(C), if—

''(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide 1 or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

''(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

SEC. 207. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) (relating to withholding) is amended by striking ''10 percent'' and inserting ''15 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 31, 2000.

SEC. 208. LIMITATION ON CONVERSION OF CHARACTER OF INCOME FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

''SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

''(a) IN GENERAL.—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

''(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

''(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

''(b) INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.—

''(1) IN GENERAL.—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

''(2) AMOUNT OF INTEREST.—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

''(3) APPLICABLE FEDERAL RATE.—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

''(4) NO CREDITS AGAINST INCREASE IN TAX.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the tax imposed by section 55.

''(c) FINANCIAL ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'financial asset' means—

''(A) any equity interest in any pass-thru entity, and

''(B) to the extent provided in regulations—

''(i) any debt instrument, and

''(ii) any stock in a corporation which is not a pass-thru entity.

''(2) PASS-THRU ENTITY.—For purposes of paragraph (1), the term 'pass-thru entity' means—

''(A) a regulated investment company,

''(B) a real estate investment trust,

''(C) an S corporation,

''(D) a partnership,

''(E) a trust,

''(F) a common trust fund,

''(G) a passive foreign investment company (as defined in section 1297 without regard to subsection (e) thereof),

''(H) a foreign personal holding company,

''(I) a foreign investment company (as defined in section 1246(b)), and

''(J) a REMIC.

''(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

''(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

''(A) holds a long position under a notional principal contract with respect to the financial asset,

''(B) enters into a forward or futures contract to acquire the financial asset,

''(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

''(D) to the extent provided in regulations prescribed by the Secretary, enters into one or more other transactions (or acquires one or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

''(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

''(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

''(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

''(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

''(4) FORWARD CONTRACT.—The term 'forward contract' means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

''(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term 'net underlying long-term capital gain' means the aggregate net capital gain that the taxpayer would have had if—

''(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

''(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

''(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

''(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

''(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.''

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end the following new item:

''Sec. 1260. Gains from constructive ownership transactions.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

SEC. 209. TREATMENT OF EXCESS PENSION ASSETS USED FOR RETIREE HEALTH BENEFITS.

(a) EXTENSION.—

(1) IN GENERAL.—Paragraph (5) of section 420(b) (relating to expiration) is amended by striking ''in any taxable year beginning after December 31, 2000'' and inserting ''made after September 30, 2009''.

(2) CONFORMING AMENDMENTS.—

(A) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking ''January 1, 1995'' and inserting ''the date of the enactment of the Tax Relief Extension Act of 1999''.

(B) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking ''January 1, 1995'' and inserting ''the date of the enactment of the Tax Relief Extension Act of 1999''.

(C) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(13)) is amended—

(i) by striking ''in a taxable year beginning before January 1, 2001'' and inserting ''made before October 1, 2009'', and

(ii) by striking ''January 1, 1995'' and inserting ''the date of the enactment of the Tax Relief Extension Act of 1999''.

(b) APPLICATION OF MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Paragraph (3) of section 420(c) is amended to read as follows:

''(3) MINIMUM COST REQUIREMENTS.—

''(A) IN GENERAL.—The requirements of this paragraph are met if each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer.

''(B) APPLICABLE EMPLOYER COST.—For purposes of this paragraph, the term 'applicable employer cost' means, with respect to any taxable year, the amount determined by dividing—

''(i) the qualified current retiree health liabilities of the employer for such taxable year determined—

''(I) without regard to any reduction under subsection (e)(1)(B), and

''(II) in the case of a taxable year in which there was no qualified transfer, in the same manner as if there had been such a transfer at the end of the taxable year, by

''(ii) the number of individuals to whom coverage for applicable health benefits was provided during such taxable year.

''(C) ELECTION TO COMPUTE COST SEPARATELY.—An employer may elect to have this paragraph applied separately with respect to individuals eligible for benefits under title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

''(D) COST MAINTENANCE PERIOD.—For purposes of this paragraph, the term 'cost maintenance period' means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in two or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be provided under subparagraph (A) for such taxable year.''.

(2) CONFORMING AMENDMENTS.—

(A) Clause (iii) of section 420(b)(1)(C) is amended by striking ''benefits'' and inserting ''cost''.

(B) Subparagraph (D) of section 420(e)(1) is amended by striking ''and shall not be subject to the minimum benefit requirements of subsection (c)(3)'' and inserting ''or in calculating applicable employer cost under subsection (c)(3)(B)''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to qualified transfers occurring after the date of the enactment of this Act.

(2) TRANSITION RULE.—If the cost maintenance period for any qualified transfer after the date of the enactment of this Act includes any portion of a benefit maintenance period for any qualified transfer on or before such date, the amendments made by subsection (b) shall not apply to such portion of the cost maintenance period (and such portion shall be treated as a benefit maintenance period).

SEC. 210. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 (relating to installment method) is amended to read as follows:

''(a) USE OF INSTALLMENT METHOD.—

''(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

''(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2).''

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking ''(a)'' each place it appears and inserting ''(a)(1)''.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: ''A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 211. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) (relating to special rule for services) is amended—

(1) by inserting ''in fields described in paragraph (2)(A)'' after ''services by such person'', and

(2) by inserting ''CERTAIN PERSONAL'' before ''SERVICES'' in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 212. DENIAL OF CHARITABLE CONTRIBUTION DEDUCTION FOR TRANSFERS ASSOCIATED WITH SPLIT-DOLLAR INSURANCE ARRANGEMENTS.

(a) IN GENERAL.—Subsection (f) of section 170 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

''(10) SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.—

''(A) IN GENERAL.—Nothing in this section or in section 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), or 2522 shall be construed to allow a deduction, and no deduction shall be allowed, for any transfer to or for the use of an organization described in subsection (c) if in connection with such transfer—

''(i) the organization directly or indirectly pays, or has previously paid, any premium on any personal benefit contract with respect to the transferor, or

''(ii) there is an understanding or expectation that any person will directly or indirectly pay any premium on any personal benefit contract with respect to the transferor.

''(B) PERSONAL BENEFIT CONTRACT.—For purposes of subparagraph (A), the term 'personal benefit contract' means, with respect to the transferor, any life insurance, annuity, or endowment contract if any direct or indirect beneficiary under such contract is the transferor, any member of the transferor's family, or any other person (other than an organization described in subsection (c)) designated by the transferor.

''(C) APPLICATION TO CHARITABLE REMAINDER TRUSTS.—In the case of a transfer to a trust referred to in subparagraph (E), references in subparagraphs (A) and (F) to an organization described in subsection (c) shall be treated as a reference to such trust.

''(D) EXCEPTION FOR CERTAIN ANNUITY CONTRACTS.—If, in connection with a transfer to or for the use of an organization described in subsection (c), such organization incurs an obligation to pay a charitable gift annuity (as defined in section 501(m)) and such organization purchases any annuity contract to fund such obligation, persons receiving payments under the charitable gift annuity shall not be treated for purposes of subparagraph (B) as indirect beneficiaries under such contract if—

''(i) such organization possesses all of the incidents of ownership under such contract,

''(ii) such organization is entitled to all the payments under such contract, and

''(iii) the timing and amount of payments under such contract are substantially the same as the timing and amount of payments to each such person under such obligation (as such obligation is in effect at the time of such transfer).

''(E) EXCEPTION FOR CERTAIN CONTRACTS HELD BY CHARITABLE REMAINDER TRUSTS.—A person shall not be treated for purposes of subparagraph (B) as an indirect beneficiary under any life insurance, annuity, or endowment contract held by a charitable remainder annuity trust or a charitable remainder unitrust (as defined in section 664(d)) solely by reason of being entitled to any payment referred to in paragraph (1)(A) or (2)(A) of section 664(d) if—

''(i) such trust possesses all of the incidents of ownership under such contract, and

''(ii) such trust is entitled to all the payments under such contract.

''(F) EXCISE TAX ON PREMIUMS PAID.—

''(i) IN GENERAL.—There is hereby imposed on any organization described in subsection (c) an excise tax equal to the premiums paid by such organization on any life insurance, annuity, or endowment contract if the payment of premiums on such contract is in connection with a transfer for which a deduction is not allowable under subparagraph (A), determined without regard to when such transfer is made.

''(ii) PAYMENTS BY OTHER PERSONS.—For purposes of clause (i), payments made by any other person pursuant to an understanding or expectation referred to in subparagraph (A) shall be treated as made by the organization.

''(iii) REPORTING.—Any organization on which tax is imposed by clause (i) with respect to any premium shall file an annual return which includes—

''(I) the amount of such premiums paid during the year and the name and TIN of each beneficiary under the contract to which the premium relates, and

''(II) such other information as the Secretary may require.

The penalties applicable to returns required under section 6033 shall apply to returns required under this clause. Returns required under this clause shall be furnished at such time and in such manner as the Secretary shall by forms or regulations require.

''(iv) CERTAIN RULES TO APPLY.—The tax imposed by this subparagraph shall be treated as imposed by chapter 42 for purposes of this title other than subchapter B of chapter 42.

''(G) SPECIAL RULE WHERE STATE REQUIRES SPECIFICATION OF CHARITABLE GIFT ANNUITANT IN CONTRACT.—In the case of an obligation to pay a charitable gift annuity referred to in subparagraph (D) which is entered into under the laws of a State which requires, in order for the charitable gift annuity to be exempt from insurance regulation by such State, that each beneficiary under the charitable gift annuity be named as a beneficiary under an annuity contract issued by an insurance company authorized to transact business in such State, the requirements of clauses (i) and (ii) of subparagraph (D) shall be treated as met if—

''(i) such State law requirement was in effect on February 8, 1999,

''(ii) each such beneficiary under the charitable gift annuity is a bona fide resident of such State at the time the obligation to pay a charitable gift annuity is entered into, and

''(iii) the only persons entitled to payments under such contract are persons entitled to payments as beneficiaries under such obligation on the date such obligation is entered into.

''(H) MEMBER OF FAMILY.—For purposes of this paragraph, an individual's family consists of the individual's grandparents, the grandparents of such individual's spouse, the lineal descendants of such grandparents, and any spouse of such a lineal descendant.

''(I) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to prevent the avoidance of such purposes.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the amendment made by this section shall apply to transfers made after February 8, 1999.

(2) EXCISE TAX.—Except as provided in paragraph (3) of this subsection, section 170(f)(10)(F) of the Internal Revenue Code of 1986 (as added by this section) shall apply to premiums paid after the date of the enactment of this Act.

(3) REPORTING.—Clause (iii) of such section 170(f)(10)(F) shall apply to premiums paid after February 8, 1999 (determined as if the tax imposed by such section applies to premiums paid after such date).

SEC. 213. PREVENTION OF DUPLICATION OF LOSS THROUGH ASSUMPTION OF LIABILITIES GIVING RISE TO A DEDUCTION.

(a) IN GENERAL.—Section 358 (relating to basis to distributees) is amended by adding at the end the following new subsection:

''(h) SPECIAL RULES FOR ASSUMPTION OF LIABILITIES TO WHICH SUBSECTION (d) DOES NOT APPLY.—

''(1) IN GENERAL.—If, after application of the other provisions of this section to an exchange or series of exchanges, the basis of property to which subsection (a)(1) applies exceeds the fair market value of such property, then such basis shall be reduced (but not below such fair market value) by the amount (determined as of the date of the exchange) of any liability—

''(A) which is assumed in exchange for such property, and

''(B) with respect to which subsection (d)(1) does not apply to the assumption.

''(2) EXCEPTION.—Paragraph (1) shall not apply to any liability if the trade or business giving rise to the liability is transferred to the person assuming the liability as part of the exchange.

''(3) LIABILITY.—For purposes of this subsection, the term 'liability' shall include any obligation to make payment, without regard to whether the obligation is fixed or contingent or otherwise taken into account for purposes of this title.

''(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subsection.''

(b) APPLICATION OF COMPARABLE RULES TO PARTNERSHIPS.—The Secretary of the Treasury or his delegate shall prescribe rules which provide appropriate adjustments under subchapter K of chapter 1 of the Internal Revenue Code of 1986 to prevent the acceleration or duplication of losses through the assumption of (or transfer of assets subject to) liabilities described in section 358(h)(3) of such Code (as added by subsection (a)) in transactions involving partnerships.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to assumptions of liability after October 18, 1999.

(2) RULES.—The rules prescribed under subsection (b) shall apply to assumptions of liability after October 18, 1999, or such later date as may be prescribed in such rules.

SEC. 214. CONSISTENT TREATMENT AND BASIS ALLOCATION RULES FOR TRANSFERS OF INTANGIBLES IN CERTAIN NONRECOGNITION TRANSACTIONS.

(a) TRANSFERS TO CORPORATIONS.—Section 351 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) TREATMENT OF TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) TRANSFERS OF LESS THAN ALL SUBSTANTIAL RIGHTS.

''(A) IN GENERAL.—A transfer of an interest in intangible property (as defined in section 936(h)(3)(B)) shall be treated under this section as a transfer of property even if the transfer is of less than all of the substantial rights of the transferor in the property.

''(B) ALLOCATION OF BASIS.—In the case of a transfer of less than all of the substantial rights of the transferor in the intangible property, the transferor's basis immediately before the transfer shall be allocated among the rights retained by the transferor and the rights transferred on the basis of their respective fair market values.

''(2) NONRECOGNITION NOT TO APPLY TO INTANGIBLE PROPERTY DEVELOPED FOR TRANSFEREE.—This section shall not apply to a transfer of intangible property developed by the transferor or any related person if such development was pursuant to an arrangement with the transferee.''

(b) TRANSFERS TO PARTNERSHIPS.—Subsection (d) of section 721 is amended to read as follows:

''(d) TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) IN GENERAL.—Rules similar to the rules of section 351(h) shall apply for purposes of this section.

''(2) TRANSFERS TO FOREIGN PARTNERSHIPS.—For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers on or after the date of the enactment of this Act.

SEC. 215. DISTRIBUTIONS BY A PARTNERSHIP TO A CORPORATE PARTNER OF STOCK IN ANOTHER CORPORATION.

(a) IN GENERAL.—Section 732 (relating to basis of distributed property other than money) is amended by adding at the end the following new subsection:

''(f) CORRESPONDING ADJUSTMENT TO BASIS OF ASSETS OF A DISTRIBUTED CORPORATION CONTROLLED BY A CORPORATE PARTNER.—

''(1) IN GENERAL.—If—

''(A) a corporation (hereafter in this subsection referred to as the 'corporate partner') receives a distribution from a partnership of stock in another corporation (hereafter in this subsection referred to as the 'distributed corporation'),

''(B) the corporate partner has control of the distributed corporation immediately after the distribution or at any time thereafter, and

''(C) the partnership's adjusted basis in such stock immediately before the distribution exceeded the corporate partner's adjusted basis in such stock immediately after the distribution,

then an amount equal to such excess shall be applied to reduce (in accordance with subsection (c)) the basis of property held by the distributed corporation at such time (or, if the corporate partner does not control the distributed corporation at such time, at the time the corporate partner first has such control).

''(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS BEFORE CONTROL ACQUIRED.—Paragraph (1) shall not apply to any distribution of stock in the distributed corporation if—

''(A) the corporate partner does not have control of such corporation immediately after such distribution, and

''(B) the corporate partner establishes to the satisfaction of the Secretary that such distribution was not part of a plan or arrangement to acquire control of the distributed corporation.

''(3) LIMITATIONS ON BASIS REDUCTION.—

''(A) IN GENERAL.—The amount of the reduction under paragraph (1) shall not exceed the amount by which the sum of the aggregate adjusted bases of the property and the amount of money of the distributed corporation exceeds the corporate partner's adjusted basis in the stock of the distributed corporation.

''(B) REDUCTION NOT TO EXCEED ADJUSTED BASIS OF PROPERTY.—No reduction under paragraph (1) in the basis of any property shall exceed the adjusted basis of such property (determined without regard to such reduction).

''(4) GAIN RECOGNITION WHERE REDUCTION LIMITED.—If the amount of any reduction under paragraph (1) (determined after the application of paragraph (3)(A)) exceeds the aggregate adjusted bases of the property of the distributed corporation—

''(A) such excess shall be recognized by the corporate partner as long-term capital gain, and

''(B) the corporate partner's adjusted basis in the stock of the distributed corporation shall be increased by such excess.

''(5) CONTROL.—For purposes of this subsection, the term 'control' means ownership of stock meeting the requirements of section 1504(a)(2).

''(6) INDIRECT DISTRIBUTIONS.—For purposes of paragraph (1), if a corporation acquires (other than in a distribution from a partnership) stock the basis of which is determined in whole or in part by reference to subsection (a)(2) or (b), the corporation shall be treated as receiving a distribution of such stock from a partnership.

''(7) SPECIAL RULE FOR STOCK IN CONTROLLED CORPORATION.—If the property held by a distributed corporation is stock in a corporation which the distributed corporation controls, this subsection shall be applied to reduce the basis of the property of such controlled corporation. This subsection shall be reapplied to any property of any controlled corporation which is stock in a corporation which it controls.

''(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations to avoid double counting and to prevent the abuse of such purposes.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to distributions made after July 14, 1999.

(2) PARTNERSHIPS IN EXISTENCE ON JULY 14, 1999.—In the case of a corporation which is a partner in a partnership as of July 14, 1999, the amendment made by this section shall apply to distributions made to such partner from such partnership after the date of the enactment of this Act.

SEC. 216. PROHIBITED ALLOCATIONS OF STOCK IN S CORPORATION ESOP.

(a) IN GENERAL.—Section 409 (relating to qualifications for tax credit employee stock ownership plans) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(p) PROHIBITED ALLOCATIONS OF SECURITIES IN AN S CORPORATION.—

''(1) IN GENERAL.—An employee stock ownership plan holding employer securities consisting of stock in an S corporation shall provide that no portion of the assets of the plan attributable to (or allocable in lieu of) such employer securities may, during a nonallocation year, accrue (or be allocated directly or indirectly under any plan of the employer meeting the requirements of section 401(a)) for the benefit of any disqualified person.

''(2) FAILURE TO MEET REQUIREMENTS.—

''(A) IN GENERAL.—If a plan fails to meet the requirements of paragraph (1), the plan shall be treated as having distributed to any disqualified person the amount allocated to the account of such person in violation of paragraph (1) at the time of such allocation.

''(B) CROSS REFERENCE.—

''For excise tax relating to violations of paragraph (1) and ownership of synthetic equity, see section 4979A.

''(3) NONALLOCATION YEAR.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'nonallocation year' means any plan year of an employee stock ownership plan if, at any time during such plan year—

''(i) such plan holds employer securities consisting of stock in an S corporation, and

''(ii) disqualified persons own at least 50 percent of the number of shares of stock in the S corporation.

''(B) ATTRIBUTION RULES.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The rules of section 318(a) shall apply for purposes of determining ownership, except that—

''(I) in applying paragraph (1) thereof, the members of an individual's family shall include members of the family described in paragraph (4)(D), and

''(II) paragraph (4) thereof shall not apply.

''(ii) DEEMED-OWNED SHARES.—Notwithstanding the employee trust exception in section 318(a)(2)(B)(i), individual shall be treated as owning deemed-owned shares of the individual.

Solely for purposes of applying paragraph (5), this subparagraph shall be applied after the attribution rules of paragraph (5) have been applied.

''(4) DISQUALIFIED PERSON.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'disqualified person' means any person if—

''(i) the aggregate number of deemed-owned shares of such person and the members of such person's family is at least 20 percent of the number of deemed-owned shares of stock in the S corporation, or

''(ii) in the case of a person not described in clause (i), the number of deemed-owned shares of such person is at least 10 percent of the number of deemed-owned shares of stock in such corporation.

''(B) TREATMENT OF FAMILY MEMBERS.—In the case of a disqualified person described in subparagraph (A)(i), any member of such person's family with deemed-owned shares shall be treated as a disqualified person if not otherwise treated as a disqualified person under subparagraph (A).

''(C) DEEMED-OWNED SHARES.—

''(i) IN GENERAL.—The term 'deemed-owned shares' means, with respect to any person—

''(I) the stock in the S corporation constituting employer securities of an employee stock ownership plan which is allocated to such person under the plan, and

''(II) such person's share of the stock in such corporation which is held by such plan but which is not allocated under the plan to participants.

''(ii) PERSON'S SHARE OF UNALLOCATED STOCK.—For purposes of clause (i)(II), a person's share of unallocated S corporation stock held by such plan is the amount of the unallocated stock which would be allocated to such person if the unallocated stock were allocated to all participants in the same proportions as the most recent stock allocation under the plan.

''(D) MEMBER OF FAMILY.—For purposes of this paragraph, the term 'member of the family' means, with respect to any individual—

''(i) the spouse of the individual,

''(ii) an ancestor or lineal descendant of the individual or the individual's spouse,

''(iii) a brother or sister of the individual or the individual's spouse and any lineal descendant of the brother or sister, and

''(iv) the spouse of any individual described in clause (ii) or (iii).

A spouse of an individual who is legally separated from such individual under a decree of divorce or separate maintenance shall not be treated as such individual's spouse for purposes of this subparagraph.

''(5) TREATMENT OF SYNTHETIC EQUITY.—For purposes of paragraphs (3) and (4), in the case of a person who owns synthetic equity in the S corporation, except to the extent provided in regulations, the shares of stock in such corporation on which such synthetic equity is based shall be treated as outstanding stock in such corporation and deemed-owned shares of such person if such treatment of synthetic equity of 1 or more such persons results in—

''(A) the treatment of any person as a disqualified person, or

''(B) the treatment of any year as a nonallocation year.

For purposes of this paragraph, synthetic equity shall be treated as owned by a person in the same manner as stock is treated as owned by a person under the rules of paragraphs (2) and (3) of section 318(a). If, without regard to this paragraph, a person is treated as a disqualified person or a year is treated as a nonallocation year, this paragraph shall not be construed to result in the person or year not being so treated.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) EMPLOYEE STOCK OWNERSHIP PLAN.—The term 'employee stock ownership plan' has the meaning given such term by section 4975(e)(7).

''(B) EMPLOYER SECURITIES.—The term 'employer security' has the meaning given such term by section 409(l).

''(C) SYNTHETIC EQUITY.—The term 'synthetic equity' means any stock option, warrant, restricted stock, deferred issuance stock right, or similar interest or right that gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock appreciation right, phantom stock unit, or similar right to a future cash payment based on the value of such stock or appreciation in such value.

''(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.''

(b) COORDINATION WITH SECTION 4975(e)(7).—The last sentence of section 4975(e)(7) (defining employee stock ownership plan) is amended by inserting '', section 409(p),'' after ''409(n)''.

(c) EXCISE TAX.—

(1) APPLICATION OF TAX.—Subsection (a) of section 4979A (relating to tax on certain prohibited allocations of employer securities) is amended—

(A) by striking ''or'' at the end of paragraph (1),

(B) by striking the period at the end of paragraph (2) and inserting a comma, and

(C) by striking all that follows paragraph (2) and inserting the following:

''(3) there is any allocation of employer securities which violates the provisions of section 409(p), or a nonallocation year described in subsection (c)(2)(C) with respect to an employee stock ownership plan, or

''(4) any synthetic equity is owned by a disqualified person in any nonallocation year,

there is hereby imposed a tax on such allocation or ownership equal to 50 percent of the amount involved.''

(2) LIABILITY.—Section 4979A(c) (defining liability for tax) is amended to read as follows:

''(c) LIABILITY FOR TAX.—The tax imposed by this section shall be paid—

''(1) in the case of an allocation referred to in paragraph (1) or (2) of subsection (a), by—

''(A) the employer sponsoring such plan, or

''(B) the eligible worker-owned cooperative,

which made the written statement described in section 664(g)(1)(E) or in section 1042(b)(3)(B) (as the case may be), and

''(2) in the case of an allocation or ownership referred to in paragraph (3) or (4) of subsection (a), by the S corporation the stock in which was so allocated or owned.''

(3) DEFINITIONS.—Section 4979A(e) (relating to definitions) is amended to read as follows:

''(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) DEFINITIONS.—Except as provided in paragraph (2), terms used in this section have the same respective meanings as when used in sections 409 and 4978.

''(2) SPECIAL RULES RELATING TO TAX IMPOSED BY REASON OF PARAGRAPH (3) OR (4) OF SUBSECTION (a).—

''(A) PROHIBITED ALLOCATIONS.—The amount involved with respect to any tax imposed by reason of subsection (a)(3) is the amount allocated to the account of any person in violation of section 409(p)(1).

''(B) SYNTHETIC EQUITY.—The amount involved with respect to any tax imposed by reason of subsection (a)(4) is the value of the shares on which the synthetic equity is based.

''(C) SPECIAL RULE DURING FIRST NONALLOCATION YEAR.—For purposes of subparagraph (A), the amount involved for the first nonallocation year of any employee stock ownership plan shall be determined by taking into account the total value of all the deemed-owned shares of all disqualified persons with respect to such plan.

''(D) STATUTE OF LIMITATIONS.—The statutory period for the assessment of any tax imposed by this section by reason of paragraph (3) or (4) of subsection (a) shall not expire before the date which is 3 years from the later of—

''(i) the allocation or ownership referred to in such paragraph giving rise to such tax, or

''(ii) the date on which the Secretary is notified of such allocation or ownership.''

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

(2) EXCEPTION FOR CERTAIN PLANS.—In the case of any—

(A) employee stock ownership plan established after July 14, 1999, or

(B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 1362(a) of the Internal Revenue Code of 1986 is not in effect on such date,

the amendments made by this section shall apply to plan years ending after July 14, 1999.

Subtitle B—Provisions Relating to Real Estate Investment Trusts

PART I—TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES

SEC. 221. MODIFICATIONS TO ASSET DIVERSIFICATION TEST.

(a) IN GENERAL.—Subparagraph (B) of section 856(c)(4) is amended to read as follows:

''(B)(i) not more than 25 percent of the value of its total assets is represented by securities (other than those includible under subparagraph (A)),

''(ii) not more than 20 percent of the value of its total assets is represented by securities of 1 or more taxable REIT subsidiaries, and

''(iii) except with respect to a taxable REIT subsidiary and securities includible under subparagraph (A)—

''(I) not more than 5 percent of the value of its total assets is represented by securities of any one issuer,

''(II) the trust does not hold securities possessing more than 10 percent of the total voting power of the outstanding securities of any one issuer, and

''(III) the trust does not hold securities having a value of more than 10 percent of the total value of the outstanding securities of any one issuer.''.

(b) EXCEPTION FOR STRAIGHT DEBT SECURITIES.—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

''(7) STRAIGHT DEBT SAFE HARBOR IN APPLYING PARAGRAPH (4).—Securities of an issuer which are straight debt (as defined in section 1361(c)(5) without regard to subparagraph (B)(iii) thereof) shall not be taken into account in applying paragraph (4)(B)(ii)(III) if—

''(A) the issuer is an individual, or

''(B) the only securities of such issuer which are held by the trust or a taxable REIT subsidiary of the trust are straight debt (as so defined), or

''(C) the issuer is a partnership and the trust holds at least a 20 percent profits interest in the partnership.''.

SEC. 222. TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES.

(a) INCOME FROM TAXABLE REIT SUBSIDIARIES NOT TREATED AS IMPERMISSIBLE TENANT SERVICE INCOME.—Clause (i) of section 856(d)(7)(C) (relating to exceptions to impermissible tenant service income) is amended by inserting ''or through a taxable REIT subsidiary of such trust'' after ''income''.

(b) CERTAIN INCOME FROM TAXABLE REIT SUBSIDIARIES NOT EXCLUDED FROM RENTS FROM REAL PROPERTY.—

(1) IN GENERAL.—Subsection (d) of section 856 (relating to rents from real property defined) is amended by adding at the end the following new paragraphs:

''(8) SPECIAL RULE FOR TAXABLE REIT SUBSIDIARIES.—For purposes of this subsection, amounts paid to a real estate investment trust by a taxable REIT subsidiary of such trust shall not be excluded from rents from real property by reason of paragraph (2)(B) if the requirements of either of the following subparagraphs are met:

''(A) LIMITED RENTAL EXCEPTION.—The requirements of this subparagraph are met with respect to any property if at least 90 percent of the leased space of the property is rented to persons other than taxable REIT subsidiaries of such trust and other than persons described in section 856(d)(2)(B). The preceding sentence shall apply only to the extent that the amounts paid to the trust as rents from real property (as defined in paragraph (1) without regard to paragraph (2)(B)) from such property are substantially comparable to such rents made by the other tenants of the trust's property for comparable space.

''(B) EXCEPTION FOR CERTAIN LODGING FACILITIES.—The requirements of this subparagraph are met with respect to an interest in real property which is a qualified lodging facility leased by the trust to a taxable REIT subsidiary of the trust if the property is operated on behalf of such subsidiary by a person who is an eligible independent contractor.

''(9) ELIGIBLE INDEPENDENT CONTRACTOR.—For purposes of paragraph (8)(B)—

''(A) IN GENERAL.—The term 'eligible independent contractor' means, with respect to any qualified lodging facility, any independent contractor if, at the time such contractor enters into a management agreement or other similar service contract with the taxable REIT subsidiary to operate the facility, such contractor (or any related person) is actively engaged in the trade or business of operating qualified lodging facilities for any person who is not a related person with respect to the real estate investment trust or the taxable REIT subsidiary.

''(B) SPECIAL RULES.—Solely for purposes of this paragraph and paragraph (8)(B), a person shall not fail to be treated as an independent contractor with respect to any qualified lodging facility by reason of any of the following:

''(i) The taxable REIT subsidiary bears the expenses for the operation of the facility pursuant to the management agreement or other similar service contract.

''(ii) The taxable REIT subsidiary receives the revenues from the operation of such facility, net of expenses for such operation and fees payable to the operator pursuant to such agreement or contract.

''(iii) The real estate investment trust receives income from such person with respect to another property that is attributable to a lease of such other property to such person that was in effect as of the later of—

''(I) January 1, 1999, or

''(II) the earliest date that any taxable REIT subsidiary of such trust entered into a management agreement or other similar service contract with such person with respect to such qualified lodging facility.

''(C) RENEWALS, ETC., OF EXISTING LEASES.—For purposes of subparagraph (B)(iii)—

''(i) a lease shall be treated as in effect on January 1, 1999, without regard to its renewal after such date, so long as such renewal is pursuant to the terms of such lease as in effect on whichever of the dates under subparagraph (B)(iii) is the latest, and

''(ii) a lease of a property entered into after whichever of the dates under subparagraph (B)(iii) is the latest shall be treated as in effect on such date if—

''(I) on such date, a lease of such property from the trust was in effect, and

''(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

''(D) QUALIFIED LODGING FACILITY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified lodging facility' means any lodging facility unless wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility.

''(ii) LODGING FACILITY.—The term 'lodging facility' means a hotel, motel, or other establishment more than one-half of the dwelling units in which are used on a transient basis.

''(iii) CUSTOMARY AMENITIES AND FACILITIES.—The term 'lodging facility' includes customary amenities and facilities operated as part of, or associated with, the lodging facility so long as such amenities and facilities are customary for other properties of a comparable size and class owned by other owners unrelated to such real estate investment trust.

''(E) OPERATE INCLUDES MANAGE.—References in this paragraph to operating a property shall be treated as including a reference to managing the property.

''(F) RELATED PERSON.—Persons shall be treated as related to each other if such persons are treated as a single employer under subsection (a) or (b) of section 52.''.

(2) CONFORMING AMENDMENT.—Subparagraph (B) of section 856(d)(2) is amended by inserting ''except as provided in paragraph (8),'' after ''(B)''.

(3) DETERMINING RENTS FROM REAL PROPERTY.—

(A)(i) Paragraph (1) of section 856(d) is amended by striking ''adjusted bases'' each place it occurs and inserting ''fair market values''.

(ii) The amendment made by this subparagraph shall apply to taxable years beginning after December 31, 2000.

(B)(i) Clause (i) of section 856(d)(2)(B) is amended by striking ''number'' and inserting ''value''.

(ii) The amendment made by this subparagraph shall apply to amounts received or accrued in taxable years beginning after December 31, 2000, except for amounts paid pursuant to leases in effect on July 12, 1999, or pursuant to a binding contract in effect on such date and at all times thereafter.

SEC. 223. TAXABLE REIT SUBSIDIARY.

(a) IN GENERAL.—Section 856 is amended by adding at the end the following new subsection:

''(l) TAXABLE REIT SUBSIDIARY.—For purposes of this part—

''(1) IN GENERAL.—The term 'taxable REIT subsidiary' means, with respect to a real estate investment trust, a corporation (other than a real estate investment trust) if—

''(A) such trust directly or indirectly owns stock in such corporation, and

''(B) such trust and such corporation jointly elect that such corporation shall be treated as a taxable REIT subsidiary of such trust for purposes of this part.

Such an election, once made, shall be irrevocable unless both such trust and corporation consent to its revocation. Such election, and any revocation thereof, may be made without the consent of the Secretary.

''(2) 35 PERCENT OWNERSHIP IN ANOTHER TAXABLE REIT SUBSIDIARY.—The term 'taxable

REIT subsidiary' includes, with respect to any real estate investment trust, any corporation (other than a real estate investment trust) with respect to which a taxable REIT subsidiary of such trust owns directly or indirectly—

''(A) securities possessing more than 35 percent of the total voting power of the outstanding securities of such corporation, or

''(B) securities having a value of more than 35 percent of the total value of the outstanding securities of such corporation.

The preceding sentence shall not apply to a qualified REIT subsidiary (as defined in subsection (i)(2)). The rule of section 856(c)(7) shall apply for purposes of subparagraph (B).

''(3) EXCEPTIONS.—The term 'taxable REIT subsidiary' shall not include—

''(A) any corporation which directly or indirectly operates or manages a lodging facility or a health care facility, and

''(B) any corporation which directly or indirectly provides to any other person (under a franchise, license, or otherwise) rights to any brand name under which any lodging facility or health care facility is operated.

Subparagraph (B) shall not apply to rights provided to an eligible independent contractor to operate or manage a lodging facility if such rights are held by such corporation as a franchisee, licensee, or in a similar capacity and such lodging facility is either owned by such corporation or is leased to such corporation from the real estate investment trust.

''(4) DEFINITIONS.—For purposes of paragraph (3)—

''(A) LODGING FACILITY.—The term 'lodging facility' has the meaning given to such term by paragraph (9)(D)(ii).

''(B) HEALTH CARE FACILITY.—The term 'health care facility' has the meaning given to such term by subsection (e)(6)(D)(ii).''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 856(i) is amended by adding at the end the following new sentence: ''Such term shall not include a taxable REIT subsidiary.''.

SEC. 224. LIMITATION ON EARNINGS STRIPPING.

Paragraph (3) of section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following new subparagraph:

''(C) any interest paid or accrued (directly or indirectly) by a taxable REIT subsidiary (as defined in section 856(l)) of a real estate investment trust to such trust.''.

SEC. 225. 100 PERCENT TAX ON IMPROPERLY ALLOCATED AMOUNTS.

(a) IN GENERAL.—Subsection (b) of section 857 (relating to method of taxation of real estate investment trusts and holders of shares or certificates of beneficial interest) is amended by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively, and by inserting after paragraph (6) the following new paragraph:

''(7) INCOME FROM REDETERMINED RENTS, REDETERMINED DEDUCTIONS, AND EXCESS INTEREST.—

''(A) IMPOSITION OF TAX.—There is hereby imposed for each taxable year of the real estate investment trust a tax equal to 100 percent of redetermined rents, redetermined deductions, and excess interest.

''(B) REDETERMINED RENTS.—

''(i) IN GENERAL.—The term 'redetermined rents' means rents from real property (as defined in subsection 856(d)) the amount of which would (but for subparagraph (E)) be reduced on distribution, apportionment, or allocation under section 482 to clearly reflect income as a result of services furnished or rendered by a taxable REIT subsidiary of the real estate investment trust to a tenant of such trust.

''(ii) EXCEPTION FOR CERTAIN SERVICES.—Clause (i) shall not apply to amounts received directly or indirectly by a real estate investment trust for services described in paragraph (1)(B) or (7)(C)(i) of section 856(d).

''(iii) EXCEPTION FOR DE MINIMIS AMOUNTS.—Clause (i) shall not apply to amounts described in section 856(d)(7)(A) with respect to a property to the extent such amounts do not exceed the one percent threshold described in section 856(d)(7)(B) with respect to such property.

''(iv) EXCEPTION FOR COMPARABLY PRICED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

''(I) such subsidiary renders a significant amount of similar services to persons other than such trust and tenants of such trust who are unrelated (within the meaning of section 856(d)(8)(F)) to such subsidiary, trust, and tenants, but

''(II) only to the extent the charge for such service so rendered is substantially comparable to the charge for the similar services rendered to persons referred to in subclause (I).

''(v) EXCEPTION FOR CERTAIN SEPARATELY CHARGED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

''(I) the rents paid to the trust by tenants (leasing at least 25 percent of the net leasable space in the trust's property) who are not receiving such service from such subsidiary are substantially comparable to the rents paid by tenants leasing comparable space who are receiving such service from such subsidiary, and

''(II) the charge for such service from such subsidiary is separately stated.

''(vi) EXCEPTION FOR CERTAIN SERVICES BASED ON SUBSIDIARY'S INCOME FROM THE SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if the gross income of such subsidiary from such service is not less than 150 percent of such subsidiary's direct cost in furnishing or rendering the service.

''(vii) EXCEPTIONS GRANTED BY SECRETARY.—The Secretary may waive the tax otherwise imposed by subparagraph (A) if the trust establishes to the satisfaction of the Secretary that rents charged to tenants were established on an arms' length basis even though a taxable REIT subsidiary of the trust provided services to such tenants.

''(C) REDETERMINED DEDUCTIONS.—The term 'redetermined deductions' means deductions (other than redetermined rents) of a taxable REIT subsidiary of a real estate investment trust if the amount of such deductions would (but for subparagraph (E)) be decreased on distribution, apportionment, or allocation under section 482 to clearly reflect income as between such subsidiary and such trust.

''(D) EXCESS INTEREST.—The term 'excess interest' means any deductions for interest payments by a taxable REIT subsidiary of a real estate investment trust to such trust to the extent that the interest payments are in excess of a rate that is commercially reasonable.

''(E) COORDINATION WITH SECTION 482.—The imposition of tax under subparagraph (A) shall be in lieu of any distribution, apportionment, or allocation under section 482.

''(F) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph. Until the Secretary prescribes such regulations, real estate investment trusts and their taxable REIT subsidiaries may base their allocations on any reasonable method.''.

(b) AMOUNT SUBJECT TO TAX NOT REQUIRED TO BE DISTRIBUTED.—Subparagraph (E) of section 857(b)(2) (relating to real estate investment trust taxable income) is amended by striking ''paragraph (5)'' and inserting ''paragraphs (5) and (7)''.

SEC. 226. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this part shall apply to taxable years beginning after December 31, 2000.

(b) TRANSITIONAL RULES RELATED TO SECTION 221.—

(1) EXISTING ARRANGEMENTS.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendment made by section 221 shall not apply to a real estate investment trust with respect to—

(i) securities of a corporation held directly or indirectly by such trust on July 12, 1999,

(ii) securities of a corporation held by an entity on July 12, 1999, if such trust acquires control of such entity pursuant to a written binding contract in effect on such date and at all times thereafter before such acquisition,

(iii) securities received by such trust (or a successor) in exchange for, or with respect to, securities described in clause (i) or (ii) in a transaction in which gain or loss is not recognized, and

(iv) securities acquired directly or indirectly by such trust as part of a reorganization (as defined in section 368(a)(1) of the Internal Revenue Code of 1986) with respect to such trust if such securities are described in clause (i), (ii), or (iii) with respect to any other real estate investment trust.

(B) NEW TRADE OR BUSINESS OR SUBSTANTIAL NEW ASSETS.—Subparagraph (A) shall cease to apply to securities of a corporation as of the first day after July 12, 1999, on which such corporation engages in a substantial new line of business, or acquires any substantial asset, other than—

(i) pursuant to a binding contract in effect on such date and at all times thereafter before the acquisition of such asset,

(ii) in a transaction in which gain or loss is not recognized by reason of section 1031 or 1033 of the Internal Revenue Code of 1986, or

(iii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(C) LIMITATION ON TRANSITION RULES.—Subparagraph (A) shall cease to apply to securities of a corporation held, acquired, or received, directly or indirectly, by a real estate investment trust as of the first day after July 12, 1999, on which such trust acquires any additional securities of such corporation other than—

(i) pursuant to a binding contract in effect on July 12, 1999, and at all times thereafter, or

(ii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(2) TAX-FREE CONVERSION.—If—

(A) at the time of an election for a corporation to become a taxable REIT subsidiary, the amendment made by section 221 does not apply to such corporation by reason of paragraph (1), and

(B) such election first takes effect before January 1, 2004,

such election shall be treated as a reorganization qualifying under section 368(a)(1)(A) of such Code.

PART II—HEALTH CARE REITS

SEC. 231. HEALTH CARE REITS.

(a) SPECIAL FORECLOSURE RULE FOR HEALTH CARE PROPERTIES.—Subsection (e) of section 856 (relating to special rules for foreclosure property) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR QUALIFIED HEALTH CARE PROPERTIES.—For purposes of this subsection—

''(A) ACQUISITION AT EXPIRATION OF LEASE.—The term 'foreclosure property' shall include any qualified health care property acquired by a real estate investment trust as the result of the termination of a lease of such property (other than a termination by reason of a default, or the imminence of a default, on the lease).

''(B) GRACE PERIOD.—In the case of a qualified health care property which is foreclosure property solely by reason of subparagraph (A), in lieu of applying paragraphs (2) and (3)—

''(i) the qualified health care property shall cease to be foreclosure property as of the close of the second taxable year after the taxable year in which such trust acquired such property, and

''(ii) if the real estate investment trust establishes to the satisfaction of the Secretary that an extension of the grace period in clause (i) is necessary to the orderly leasing or liquidation of the trust's interest in such qualified health care property, the Secretary may grant one or more extensions of the grace period for such qualified health care property.

Any such extension shall not extend the grace period beyond the close of the 6th year after the taxable year in which such trust acquired such qualified health care property.

''(C) INCOME FROM INDEPENDENT CONTRACTORS.—For purposes of applying paragraph (4)(C) with respect to qualified health care property which is foreclosure property by reason of subparagraph (A) or paragraph (1), income derived or received by the trust from an independent contractor shall be disregarded to the extent such income is attributable to—

''(i) any lease of property in effect on the date the real estate investment trust acquired the qualified health care property (without regard to its renewal after such date so long as such renewal is pursuant to the terms of such lease as in effect on such date), or

''(ii) any lease of property entered into after such date if—

''(I) on such date, a lease of such property from the trust was in effect, and

''(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

''(D) QUALIFIED HEALTH CARE PROPERTY.—

''(i) IN GENERAL.—The term 'qualified health care property' means any real property (including interests therein), and any personal property incident to such real property, which—

''(I) is a health care facility, or

''(II) is necessary or incidental to the use of a health care facility.

''(ii) HEALTH CARE FACILITY.—For purposes of clause (i), the term 'health care facility' means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility (as defined in section 7872(g)(4)), or other licensed facility which extends medical or nursing or ancillary services to patients and which, immediately before the termination, expiration, default, or breach of the lease of or mortgage secured by such facility, was operated by a provider of such services which was eligible for participation in the medicare program under title XVIII of the Social Security Act with respect to such facility.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

PART III—CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES

SEC. 241. CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES.

(a) DISTRIBUTION REQUIREMENT.—Clauses (i) and (ii) of section 857(a)(1)(A) (relating to requirements applicable to real estate investment trusts) are each amended by striking ''95 percent (90 percent for taxable years beginning before January 1, 1980)'' and inserting ''90 percent''.

(b) IMPOSITION OF TAX.—Clause (i) of section 857(b)(5)(A) (relating to imposition of tax in case of failure to meet certain requirements) is amended by striking ''95 percent (90 percent in the case of taxable years beginning before January 1, 1980)'' and inserting ''90 percent''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

PART IV—CLARIFICATION OF EXCEPTION FROM IMPERMISSIBLE TENANT SERVICE INCOME

SEC. 251. CLARIFICATION OF EXCEPTION FOR INDEPENDENT OPERATORS.

(a) IN GENERAL.—Paragraph (3) of section 856(d) (relating to independent contractor defined) is amended by adding at the end the following flush sentence:

''In the event that any class of stock of either the real estate investment trust or such person is regularly traded on an established securities market, only persons who own, directly or indirectly, more than 5 percent of such class of stock shall be taken into account as owning any of the stock of such class for purposes of applying the 35 percent limitation set forth in subparagraph (B) (but all of the outstanding stock of such class shall be considered outstanding in order to compute the denominator for purpose of determining the applicable percentage of ownership).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

PART V—MODIFICATION OF EARNINGS AND PROFITS RULES

SEC. 261. MODIFICATION OF EARNINGS AND PROFITS RULES.

(a) RULES FOR DETERMINING WHETHER REGULATED INVESTMENT COMPANY HAS EARNINGS AND PROFITS FROM NON-RIC YEAR.—Subsection (c) of section 852 is amended by adding at the end the following new paragraph:

''(3) DISTRIBUTIONS TO MEET REQUIREMENTS OF SUBSECTION (a)(2)(B).—Any distribution which is made in order to comply with the requirements of subsection (a)(2)(B)—

''(A) shall be treated for purposes of this subsection and subsection (a)(2)(B) as made from the earliest earnings and profits accumulated in any taxable year to which the provisions of this part did not apply rather than the most recently accumulated earnings and profits, and

''(B) to the extent treated under subparagraph (A) as made from accumulated earnings and profits, shall not be treated as a distribution for purposes of subsection (b)(2)(D) and section 855.''.

(b) CLARIFICATION OF APPLICATION OF REIT SPILLOVER DIVIDEND RULES TO DISTRIBUTIONS TO MEET QUALIFICATION REQUIREMENT.—Subparagraph (B) of section 857(d)(3) is amended by inserting before the period ''and section 858''.

(c) APPLICATION OF DEFICIENCY DIVIDEND PROCEDURES.—Paragraph (1) of section 852(e) is amended by adding at the end the following new sentence: ''If the determination under subparagraph (A) is solely as a result of the failure to meet the requirements of subsection (a)(2), the preceding sentence shall also apply for purposes of applying subsection (a)(2) to the non-RIC year.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

PART VI—MODIFICATION OF ESTIMATED TAX RULES

SEC. 271. MODIFICATION OF ESTIMATED TAX RULES FOR CLOSELY HELD REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Subsection (e) of section 6655 (relating to estimated tax by corporations) is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF CERTAIN REIT DIVIDENDS.—

''(A) IN GENERAL.—Any dividend received from a closely held real estate investment trust by any person which owns (after application of subsections (d)(5) and (l)(3)(B) of section 856) 10 percent or more (by vote or value) of the stock or beneficial interests in the trust shall be taken into account in computing annualized income installments under paragraph (2) in a manner similar to the manner under which partnership income inclusions are taken into account.

''(B) CLOSELY HELD REIT.—For purposes of subparagraph (A), the term 'closely held real estate investment trust' means a real estate investment trust with respect to which 5 or fewer persons own (after application of subsections (d)(5) and (l)(3)(B) of section 856) 50 percent or more (by vote or value) of the stock or beneficial interests in the trust.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to estimated tax payments due on or after November 15, 1999.

PART VII—MODIFICATION OF TREATMENT OF CLOSELY-HELD REITS

SEC. 281. CONTROLLED ENTITIES INELIGIBLE FOR REIT STATUS.

(a) IN GENERAL.—Subsection (a) of section 856 (relating to definition of real estate investment trust) is amended by striking ''and'' at the end of paragraph (6), by redesignating paragraph (7) as paragraph (8), and by inserting after paragraph (6) the following new paragraph:

''(7) which is not a controlled entity (as defined in subsection (l)); and''.

(b) CONTROLLED ENTITY.—Section 856 is amended by adding at the end the following new subsection:

''(l) CONTROLLED ENTITY.—

''(1) IN GENERAL.—For purposes of subsection (a)(7), an entity is a controlled entity if, at any time during the taxable year, one person (other than a qualified entity)—

''(A) in the case of a corporation, owns stock—

''(i) possessing at least 50 percent of the total voting power of the stock of such corporation, or

''(ii) having a value equal to at least 50 percent of the total value of the stock of such corporation, or

''(B) in the case of a trust, owns beneficial interests in the trust which would meet the requirements of subparagraph (A) if such interests were stock.

''(2) QUALIFIED ENTITY.—For purposes of paragraph (1), the term 'qualified entity' means—

''(A) any real estate investment trust, and

''(B) any partnership in which one real estate investment trust owns at least 50 percent of the capital and profits interests in the partnership.

''(3) ATTRIBUTION RULES.—For purposes of this paragraphs (1) and (2)—

''(A) IN GENERAL.—Rules similar to the rules of subsections (d)(5) and (h)(3) shall apply; except that section 318(a)(3)(C) shall not be applied under such rules to treat stock owned by a qualified entity as being owned by a person which is not a qualified entity.

''(B) STAPLED ENTITIES.—A group of entities which are stapled entities (as defined in section 269B(c)(2)) shall be treated as one person.

''(4) EXCEPTION FOR CERTAIN NEW REITS.—

''(A) IN GENERAL.—The term 'controlled entity' shall not include an incubator REIT.

''(B) INCUBATOR REIT.—A corporation shall be treated as an incubator REIT for any taxable year during the eligibility period if it meets all the following requirements for such year:

''(i) The corporation elects to be treated as an incubator REIT.

''(ii) The corporation has only voting common stock outstanding.

''(iii) Not more than 50 percent of the corporation's real estate assets consist of mortgages.

''(iv) From not later than the beginning of the last half of the second taxable year, at least 10 percent of the corporation's capital is provided by lenders or equity investors who are unrelated to the corporation's largest shareholder.

''(v) The corporation annually increases the value of its real estate assets by at least 10 percent.

''(vi) The directors of the corporation adopt a resolution setting forth an intent to engage in a going public transaction.

No election may be made with respect to any REIT if an election under this subsection was in effect for any predecessor of such REIT. The requirement of clause (ii) shall not fail to be met merely because a going public transaction is accomplished through a transaction described in section 368(a)(1) with another corporation which had another class of stock outstanding prior to the transaction.

''(C) ELIGIBILITY PERIOD.—

''(i) IN GENERAL.—The eligibility period (for which an incubator REIT election can be made) begins with the REIT's second taxable year and ends at the close of the REIT's third taxable year, except that the REIT may, subject to clauses (ii), (iii), and (iv), elect to extend such period for an additional 2 taxable years.

''(ii) GOING PUBLIC TRANSACTION.—A REIT may not elect to extend the eligibility period under clause (i) unless it enters into an agreement with the Secretary that if it does not engage in a going public transaction by the end of the extended eligibility period, it shall pay Federal income taxes for the 2 years of the extended eligibility period as if it had not made an incubator REIT election and had ceased to qualify as a REIT for those 2 taxable years.

''(iii) RETURNS, INTEREST, AND NOTICE.—

''(I) RETURNS.—In the event the corporation ceases to be treated as a REIT by operation of clause (ii), the corporation shall file any appropriate amended returns reflecting the change in status within 3 months of the close of the extended eligibility period.

''(II) INTEREST.—Interest shall be payable on any tax imposed by reason of clause (ii) for any taxable year but, unless there was a finding under subparagraph (D), no substantial underpayment penalties shall be imposed.

''(III) NOTICE.—The corporation shall, at the same time it files its returns under subclause (I), notify its shareholders and any other persons whose tax position is, or may reasonably be expected to be, affected by the change in status so they also may file any appropriate amended returns to conform their tax treatment consistent with the corporation's loss of REIT status.

''(IV) REGULATIONS.—The Secretary shall provide appropriate regulations setting forth transferee liability and other provisions to ensure collection of tax and the proper administration of this provision.

''(iv) Clauses (ii) and (iii) shall not apply if the corporation allows its incubator REIT status to lapse at the end of the initial 2-year eligibility period without engaging in a going public transaction if the corporation is not a controlled entity as of the beginning of its fourth taxable year. In such a case, the corporation's directors may still be liable for the penalties described in subparagraph (D) during the eligibility period.

''(D) SPECIAL PENALTIES.—If the Secretary determines that an incubator REIT election was filed for a principal purpose other than as part of a reasonable plan to undertake a going public transaction, an excise tax of $20,000 shall be imposed on each of the corporation's directors for each taxable year for which an election was in effect.

''(E) GOING PUBLIC TRANSACTION.—For purposes of this paragraph, a going public transaction means—

''(i) a public offering of shares of the stock of the incubator REIT;

''(ii) a transaction, or series of transactions, that results in the stock of the incubator REIT being regularly traded on an established securities market and that results in at least 50 percent of such stock being held by shareholders who are unrelated to persons who held such stock before it began to be so regularly traded; or

''(iii) any transaction resulting in ownership of the REIT by 200 or more persons (excluding the largest single shareholder) who in the aggregate own at least 50 percent of the stock of the REIT.

For the purposes of this subparagraph, the rules of paragraph (3) shall apply in determining the ownership of stock.

''(F) DEFINITIONS.—The term 'established securities market' shall have the meaning set forth in the regulations under section 897.''

(c) CONFORMING AMENDMENT.—Paragraph (2) of section 856(h) is amended by striking ''and (6)'' each place it appears and inserting '', (6), and (7)''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after July 14, 1999.

(2) EXCEPTION FOR EXISTING CONTROLLED ENTITIES.—The amendments made by this section shall not apply to any entity which is a controlled entity (as defined in section 856(l) of the Internal Revenue Code of 1986, as added by this section) as of July 14, 1999, which is a real estate investment trust for the taxable year which includes such date, and which has significant business assets or activities as of such date. For purposes of the preceding sentence, an entity shall be treated as such a controlled entity on July 14, 1999, if it becomes such an entity after such date in a transaction—

(A) made pursuant to a written agreement which was binding on such date and at all times thereafter, or

(B) described on or before such date in a filing with the Securities and Exchange Commission required solely by reason of the transaction.

TITLE III—BUDGET PROVISION

SEC. 301. EXCLUSION FROM PAYGO SCORECARD.

Any net deficit increase or net surplus increase resulting from the enactment of this Act shall not be counted for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902).

By Mr. DOMENICI:

S. 1793. A bill to ensure that there will be adequate funding for the decommissioning of nuclear power facilities; to the Committee on Environment and Public Works.

NUCLEAR DECOMMISSIONING ASSURANCE ACT

• Mr. DOMENICI. Mr. President, in an era of deregulation, it is imperative that we focus on the public health and safety concerns that may surface in the rush to eliminate excess costs in energy production.

One such concern involves the decommissioning and decontamination (D&D) of retired nuclear power plants. The nuclear industry confronts not only the difficulty of providing a competitive energy source in a changing regulatory environment, the funds accumulated to date to cover D&D costs are not sufficient to ensure proper cleanup unless measures are put into place that continue fee collection for the duration of each plant's service life.

This bill establishes a framework to ensure adequate fee collection to cover nuclear decommissioning and decontamination costs in a changing regulatory environment.

Today, nuclear generating units provide almost a quarter of the country's annual electricity generation. Over the next twenty years, a substantial number of these nuclear power plants reach the end of their 40-year licenses. Some will apply for a license renewal, which should be a straightforward and expeditious process.

All plants, at some point, however, will face retirement. Whenever retirement occurs, decommissioning follows—this requires safe dismantling and disposal of all irradiated components.

Upon acquiring a license to operate a nuclear power plant, licensees also commit to decommission the plant upon closure. Utilities are required to set aside funds for decommissioning.

In the past, State regulators generally allowed fee collection for decommissioning obligations through rates over the entire service lives of the nuclear power plants. This method spread the costs of decommissioning the plant to all the customers served by the plant over the entire course of the plant's service life.

As the electricity market moves toward deregulation, the nuclear industry confronts a profound problem. First, fee collection was structured such that accrual of sufficient funds required the full life of the plant, and regulators often undercut the amount of fees collected in order to keep energy prices down.

Second, under funding also results from escalating decommmissioning costs due to expanded regulatory requirements, lower than expected growth due to loss of load and customer exodus, rate settlements, and the lag in collecting funds due to ratemaking delays.

Lastly, decommissioning cost recovery for most utilities, including nuclear, is ''back-end loaded.'' Meaning, cost recovery is designed to generate much larger contributions to the fund in latter years.

In short, the funding of decommissioning has not kept pace with the aging of the units.

For example, today, a nuclear plant licensee of a 15-year-old plant would have collected only approximately 5 percent of the funds necessary to meet decommissioning obligations. In addition, these nuclear plant licensees currently have no means of ensuring that they can continue to collect fees from consumers to ensure decommissioning obligations are met.

The magnitude of the potential shortfall in cost recovery for decommissioning obligations is staggering. On an aggregate basis, utilities' decommissioning trust funds currently are funded at approximately 25 percent of the estimated costs—about $9 billion. Nuclear plants, however, are approximately 43 percent through their expected service lives. Total projected D&D costs will exceed $35 billion, leaving a current shortfall of about $26 billion.

The monumental size of this problem is underscored by the following comparison: FERC allowed recovery of $10 billion of total stranded costs during the restructuring of the natural gas industry. the nuclear industry's current dilemma is two and a half times greater.

Two recent publications underscore the critical need to provide assurance that decommissioning funds can be collected and are adequate to cover costs. A study which I chaired by the Center for Strategic and International Studies (CSIS) entitled The Regulatory Process for Nuclear Power Reactors addressed this issue.

The CSIS report stated, ''Restructuring of the electric utility industry could exacerbate the problem of adequate decommissioning funding and could threaten the ability of nuclear power plant owners to recover funds for decommissioning and for nuclear waste disposal in electric rates.'' The June 1999 report Nuclear Power Plant Decommissioning Under Utility Restructuring by the National Conference of State Legislatures strongly urged a ''review of current decommissioning legislation, especially if considering or passing deregulation.

The legislation I am introducing today creates a backstop to ensure that decommissioning fees can continue to be collected regardless of forthcoming changes in the regulatory environment. Because full, safe decommissioning is vital to public health and safety, this legislation is required to ensure that adequate funds for decommissioning are available to power plant licensees upon closure of their nuclear plants.

Let me briefly describe the mechanism established in this bill to ensure that adequate funds are collected.

First, nuclear power plant licensees are allowed to petition the NRC for determination of adequacy of their nuclear decommissioning trust funds. This petition process allows a full review of licensees' decommissioning costs and available funding. The petition process allows full public notice and comment.

In other words, the NRC will determine each licensee's current and ongoing revenue requirement necessary to ensure adequate funds are accumulated in the trust fund at the appropriate time.

Second, the Act amends the Federal Power Act to enable licensees to apply to the FERC, in the case of wholesale rates, or state commissions, for retail rates, for an order establishing rates or charges for collection of revenues necessary to meet NRC determined requirements.

Depending on the consumer base served by the nuclear licensee, either the FERC or the state PUCs will be required to incorporate the NRC determined decommissioning cost and revenue requirements in their rate structure.

This translates into a negligible fee added to consumers' monthly bills that will guarantee adequate cleanup upon closure of the nuclear plants that met their energy needs. This measure is simple, pragmatic, and safeguards our safety and health needs.

We must act now to ensure adequate funding for the safe decommissioning of nuclear units. The awkward jurisdictional position of this issue—caught in a gap between federal agencies and state regulatory authorities—creates a situation in which inconsistent regimes interfere with federally mandated safety measures.

This situation presents an unacceptable uncertainty and risk for the health and safety of the citizens and for the economy. As a matter of public policy, to protect public health and safety, as well as to preserve sound energy and economic policy, adequate funding of decommissioning obligations must be assured.

This act addresses this concerns and creates a practical mechanism to ensure the decommissioning funds will be adequate to safe closure of nuclear plants in the future.

Mr. President, I ask that the bill be printed in the RECORD.

The bill follows:

S. 1793

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Nuclear Decommissioning Assurance Act of 1999''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) full, safe decommissioning of nuclear power plants is a compelling Federal interest, in that—

(A) the public health and safety and the protection of the environment can be guaranteed only if nuclear power plants are adequately decommissioned at the end of their useful lives; and

(B) decommissioning obligations cannot be avoided, abandoned, or mitigated, as a matter of public health and safety;

(2) electric utilities that own nuclear power plants must be able to collect adequate revenues to ensure that the utilities can satisfy the obligation to fully decommission nuclear power plants in accordance with standards established by the Nuclear Regulatory Commission;

(3) the authority of the Nuclear Regulatory Commission to ensure that utilities are able to collect adequate funds so that they can satisfy the decommissioning obligation is limited by the fact that the Commission does not directly establish rates for electric services;

(4) many nuclear decommissioning trust funds are not adequate to meet decommissioning obligations, and the current electric rates of collection are not adequate to ensure that there will be adequate funds at the time of decommissioning.

(5) potential restructuring of the electric utility industry will exacerbate the problem, because competitive pressure is expected to be placed on current rates, thereby threatening the ability of utility entities to recover funds for decommissioning in electric rates; and

(6) there is a Federal interest in establishing a national policy to ensure that electric utilities that own nuclear power plants can recover funds sufficient to satisfy the decommissioning obligation.

(b) PURPOSES.—The purposes of this Act are—

(1) to ensure that electric utilities that own commercial nuclear electric generating plants will be able to satisfy the obligation to decommission the plants, as established by the Nuclear Regulatory Commission; and

(2) to provide rate making bodies, including the Federal Energy Regulatory Commission, with sufficient authority to provide for recovery of funds for decommissioning.

SEC. 3. DEFINITIONS.

In this Act:

(1) DECOMMISSION.—The term ''decommission'' has the meaning given the term in section 50.2 of title 10, Code of Federal Regulations (or any successor regulation).

(2) DECOMMISSIONING OBLIGATION.—The term ''decommissioning obligation'' means the obligation to pay costs associated with the measures necessary to ensure the continued protection of the public from the dangers of any residual radioactivity or other hazards present at a facility when a nuclear unit is decommissioned.

(3) NUCLEAR DECOMMISSIONING TRUST FUND.—The term ''nuclear decommissioning trust fund'' has the meaning given the term ''external sinking fund'' in section 50.75(e)(1)(ii) of title 10, Code of Federal Regulations (or any successor regulation).

(4) STATE COMMISSION.—The term ''State commission'' has the meaning given the term in section 3 of the Federal Power Act (16 U.S.C. 796).

SEC. 4. NUCLEAR DECOMMISSIONING ASSURANCE DETERMINATION BY THE NUCLEAR REGULATORY COMMISSION.

(a) PETITION.—

(1) IN GENERAL.—A licensee under part 50 of title 10, Code of Federal Regulations may petition the Nuclear Regulatory Commission for a determination of whether—

(A) adequate amounts have been deposited or are being deposited in the nuclear decommissioning trust fund of the licensee; and

(B) the future funding for any nuclear power plant owend in whole or in part by the licensee is assured.

(2) CONTENTS.—A petition under paragraph (1) shall disclose—

(A) the licensee's current minimum amount established by the Nuclear Regulatory Commission under section 50.75 of title 10, Code of Federal Regulations for each facility for which the licensee holds a license;

(B) the currently effective rates to recover costs for decommissioning obligations as established by the Commission or State commissions, as appropriate;

(C) the amount that has been deposited in the nuclear decommissioning trust fund;

(D) the planned rate and timing of collection of the costs of the decommissioning obligation through the projected useful life of the facility; and

(E) any other information pertinent to the continuing assurance of funding of the nuclear decommissioning trust fund.

(b) DETERMINATION.—Not later than 180 days of receipt of a petition under paragraph (1), the Nuclear Regulatory Commission shall issue a determination regarding whether the nuclear decommissioning trust fund and the currently approved level of rates to recover the costs of the decommissioning obligation are adequate to ensure full and safe decommissioning of the facility.

(c) CONSIDERATIONS.—In making a determination under subsection (b), the Nuclear Regulatory Commission shall consider.—

(1) the current level of funds in the nuclear decommissioning trust fund;

(2) the adequacy of the currently approved rates to recover the costs of the decommissioning obligation;

(3) the assurance of continuing recovery of such costs through rates;

(4) the timing of the recovery of such costs relative to the projected useful life of the plant; and

(5) any other information that the Nuclear Regulatory Commission considers pertinent to a determination of the necessary assurance of adequate funding.

(d) ADEQUACY OF MINIMUM AMOUNTS.—Nothing in this Act precludes the Nuclear Regulatory Commission from revising or reconsidering the adequacy of the minimum amounts established under section 50.75(c) of title 10, Code of Federal Regulations.

(e) NOTICE.—The Nuclear Regulatory Commission shall issue notice of its finding to the licensee, the Federal Energy Regulatory Commission, and any other party of record.

SEC. 5. AMENDMENT OF THE FEDERAL POWER ACT.

(a) DECLARATION.—Section 201 of the Federal Power Act is amended by adding at the end the following:

''(h) DECLARATION REGARDING DECOMMISSIONING.—The decommissioning of nuclear power plants licensed by the Commission is affected with a public interest, and the Federal regulation of matters relating to decommissioning of nuclear power plants, to the extent provided in this part, is necessary in the pubic interest.''.

(b) NUCLEAR DECOMMISSIONING ASSURANCE.—Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding at the end the following:

''SEC. 215. NUCLEAR DECOMMISSIONING ASSURANCE.

''(a) COST RECOVERY IN WHOLESALE RATES.—

''(1) IN GENERAL.—To the extent that the costs of a decommissioning obligation are recovered in wholesale rates, an electric utility that owns a nuclear power facility in whole or in part may apply to the Commission for an order approving rates and charges in connection with the wholesale transmission or sale of electricity to ensure collection of revenues necessary to ensure that there will be adequate funding to satisfy the decommissioning obligation of the electric utility in establishing rates and charges.

''(2) NUCLEAR DECOMMISSIONING ASSURANCE DETERMINATION.—In a proceeding under this section, any nuclear decommissioning assurance determination made in a proceeding under section 4 of the Nuclear Decommissioning Assurance Act of 1999 shall be conclusive.

''(3) DENIAL OF REQUEST.—If the Commission, by order or by failure to act with 180 days of the filing of a petition, denies in whole or in part an application under paragraph (1) or otherwise fails to allow collection of costs in rates necessary to ensure adequate funding under section 4 of the Nuclear Decommissioning Assurance Act of 1999, the electric utility may seek review of the action under section 313(b).

''(b) COST RECOVERY IN RETAIL RATES.—To the extent that the costs of the decommissioning obligation are recovered in retail rates, in a proceeding before a State commission initiated by an electric utility that owns a nuclear power plant in whole or in part for an order approving rates and charges in connection with the distribution of electricity, any nuclear decommissioning assurance determination made by the Commission under section 4 of the Nuclear Decommissioning Assurance Act of 1999 shall be given due consideration, so as to ensure collection of revenues necessary to ensure adequate funding of the nuclear-owning utility's nuclear decommissioning obligations.

''(c) RATES, TERMS, AND CONDITIONS.—

''(1) IN GENERAL.—The Commission and the State commissions shall establish rates, terms, and conditions in response to an application under subsection (a) or (b) not later than 180 days after the date of submission of the application.

''(2) FAILURE TO ACT.—For purposes of section 313(b), failure of the Commission to comply with paragraph (1) shall be considered a denial and shall be appealable as a final agency action.

''(d) DENIAL OF REQUEST BY STATE COMMISSION.—Notwithstanding any other provision of law, if a State commission, by order or by failure to act within 180 days of the filing of a petition, denies in whole or in part the request under subsection (b) or otherwise fails to allow collection of costs in the rates necessary to ensure adequate funding under section 4(b) of the Nuclear Decommissioning Assurance Act of 1999, the electric utility may apply to the United States district court for an order requiring the State commission to establish rates, terms, and conditions necessary to ensure adequate funding under section 4(b) of the Nuclear Decommissioning Assurance Act of 1999.''.●

By Mr. THOMAS (for himself and Mr. ENZI):

S. 1794. A bill to designate the Federal courthouse at 145 East Simpson Avenue in Jackson, Wyoming, as the ''Clifford P. Hansen Federal Courthouse''; to the Committee on Environment and Public Works.

CLIFFORD P. HANSEN FEDERAL COURTHOUSE

● Mr. THOMAS. Mr. President, I rise today to honor one of Wyoming's native sons, former Wyoming Governor and United States Senator Cliff Hansen. I am pleased that my colleague, Senator ENZI is joining me in sponsoring legislation to name the federal courthouse in Jackson, Wyoming, as the ''Clifford P. Hansen Federal Courthouse.''

Wyoming has enjoyed a long history of outstanding leaders and strong individuals. These men and women have sought the best for our small towns with big expectations and in turn have exemplified what it really means to be a leader in their communities.

Senator Cliff Hansen stands with the other Wyoming statesmen that have helped make our state so special and her citizens proud. Today I join my colleagues and Wyoming people to honor him by designating the Jackson, Wyoming, federal courthouse in his name.

Cliff Hansen's career is well known and he has been a fixture of public service in Wyoming and the United States for more than 40 years. Beginning with the local school board, to Teton County Commissioner, the statehouse in Cheyenne as Wyoming's 26th Governor, and finally here as a distinguished member of the U.S. Senate.

Senator Cliff Hansen was so well regarded, his leadership so clear, that President Reagan asked him to be Secretary of the Interior not once, but twice. With his experience and expertise gained from working on issues involving public lands and the environment there is no doubt he would have done an excellent job had he chosen to accept.

His has been a remarkable career with a distinguished record.

Cliff Hansen and his wife Martha recently celebrated their 65th wedding anniversary. What an incredible accomplishment—one of many for this singular Wyoming family that continues to play a significant role in the Jackson Hole community in which they live.

With their children, grandchildren, and even great-grandchildren—the Hansen family is a colorful part of the fabric that makes Jackson and the surrounding areas unique. Cliff Hansen resides and enjoys life in Jackson, Wyoming under the immense shadow of the famed Grand Tetons. Like the Grand, he stands tall in that close community—dignified, multifaceted and solid in his grounding. Our goal as fellow public servants should be to aspire to climb to the same personal heights.

Senator Hansen is a man who embodies a mix of justice and compassion. That's a combination we need always to strive for. He is a leader, quick to care, astutely understanding and finding the best solutions to fit the need. Gracing the Federal Courthouse in his hometown with his name—considering that great legacy—is an appropriate symbol for what he has always worked for and achieved.

I join other Wyoming people who consider Governor, Senator, Cliff Hansen a worthy citizen. An honorable gentleman who continues to live up to the special significance I hope this act will bestow.●

● Mr. ENZI. Mr. President, I rise today to pay tribute to one of Wyoming's greatest public servants of this century and to support legislation introduced today by my colleague, Senator CRAIG THOMAS, to designate the federal courthouse in Jackson, Wyoming as the Clifford P. Hansen Federal Courthouse.

When he was elected to the United States Senate in 1966, Clifford Peter Hansen had already distinguished himself as a dedicated advocate for the State of Wyoming. Born in Zenith, Teton (then Lincoln) County, Wyoming, on October 16, 1912, Cliff Hansen attended public schools in Jackson, Wyoming and graduated from the University of Wyoming in 1934. In that same year, Cliff married his sweetheart, Martha Elizabeth Close. For the past 65 years the couple has worked side by side to Wyoming's great benefit.

As a successful cattle rancher and industry representative, Cliff has served as an officer of the Wyoming Stock Growers Association, the American National Cattlemen's Association, and the Livestock Research and Marketing Advisory Committee. He also served as both the Columbia Interstate Compact commissioner and the Snake River Compact commissioner.

In 1943 Cliff began his first term as a public official where he served for eight years in the capacity of county commissioner for the people of Teton County. During those same years Cliff became a member of the Board of Trustees for the University of Wyoming where from 1955 to 1962 he served as board president. Then, from 1963 to 1967 Cliff and Martha served as Governor and First Lady of the State of Wyoming.

In 1966 Cliff was elected to the United States Senate where he served from January 3, 1967 until December 31, 1978 when he resigned and was replaced by my immediate predecessor, Former Senator Alan K. Simpson. He passed legislation that still provides for and protects Wyoming. One of those, federal mineral royalty sharing, is a major source of revenue for the state.

In April 1979 Cliff was awarded the William A. Steiger Award for public service in commemoration of his service to the people of Wyoming and the nation.

This, however, was not the end of Cliff's dedication to public service. In 1996, the University of Wyoming celebrated the dedication of the Cliff and Martha Hansen agricultural teaching center that was made possible by the couple's generous donations to the school.

One of the best testimonials about Cliff, however, can be found in the statement by one of his former employees. For the past three decades, the State of Wyoming has benefited by the fine service of Correspondence Coordinator Carroll Wood. Carroll was first hired by Cliff and has since worked for a total of three Wyoming senators including myself. On the subject of Cliff Hansen, Carroll writes: ''Thank God for Cliff Hansen. He gave me the opportunity to work for him and I have survived three different senators from Wyoming. I am indeed in his debt for his confidence in me and I will never forget the love he has shown me and my family.''

Mr. President, I too thank God for Cliff Hansen. He has dedicated his life to the people of Wyoming and is truly one of the giants of the State. Cliff and Martha Hansen are role models for my wife, Diana and I. Their continuing concern and consideration for other is unmatched. Naming this courthouse after Cliff would provide a small tribute to one who has done so much.●

By Mr. CRAPO:

S. 1795. A bill to require that before issuing an order, the President shall cite the authority for the order, conduct a cost benefit analysis, provide for public comment, and for other purposes; to the Committee on Governmental Affairs.

EXECUTIVE ORDERS LIMITATION ACT

Mr. CRAPO. Mr. President, I rise to introduce the Executive Orders Limitation Act of 1999.

A growing number of Americans have expressed concern that President Clinton has sought to bypass the constitutional role of Congress by issuing Executive orders or proclamations that have the force of law and the practical impact of law. Indeed, the use of Executive orders has increased dramatically. For example, the first 24 Presidents issued 1,262 Executive orders, whereas the last 17 Presidents have issued 11,798 orders.

The bill I introduce today seeks to strengthen article I of the Constitution which grants all legislative powers to the Congress. The bill seeks to strengthen our system of checks and balances by ensuring that all Executive orders are based on the President's expressed constitutional or statutory authority. The bill would require the President to cite the exact constitutional or statutory authority he is exercising when he issues an Executive order. It would require the publication of a cost-benefit analysis and a public comment period before an Executive order can take effect.

The act would also provide for expedited judicial review of questionable Executive orders. The Congress has previously set limits on the President's ability to issue Executive orders when it required that all orders be printed in the Federal Register. My bill would not in any way limit the President's ability to issue an Executive order which he has the constitutional right to issue. The Executive Orders Limitation Act of 1999 seeks to preserve the constitutional separation of powers by safeguarding Congress' legislative power, while at the same time protecting the President's constitutional and statutory authorities.

The question of how a law is enacted in America was one of the most important and significant debates in our constitutional convention. That is why we have a system of government established under our Constitution by which it is the Congress that makes the law that governs this Nation. The President then decides, as he has the right to do, whether to sign that law or not. We do not have a system where one man or even one branch of our Government has the ability to unilaterally create law. Yet that is what the practical effect of the use of Executive orders has become in today's timeframe in the way that President Clinton has begun using these Executive order powers.

This legislation will bring appropriate controls to the issue. If the President has constitutional or statutorily delegated authority to issue Executive orders in a given area, those authorities and those rights are preserved. But in those areas where Congress or the Constitution have not given the President the authority to enact and act as though he were imposing new legal requirements, then that is prohibited.

This legislation is critical. It should not be deemed a threat to anyone from any particular perspective on any issue. It should be deemed what it is, an effort to restore the balance of power and the system of government, in particular the system of making laws our constitutional founders intended when they created the Constitution of this country.

By Mr. LAUTENBERG (for himself, Mr. MACK, Mr. KYL, Mr. GRAHAM, Mr. ROBB, Mr. LOTT, Mr. LIEBERMAN, Mr. HATCH, Mr. CONRAD, Mr. HELMS, Mr. TORRICELLI, Mr. SPECTER, Mr. MOYNIHAN, Mr. HOLLINGS, Mr. SCHUMER, Mr. COVERDELL, Mr. EDWARDS, Mr. CLELAND, and Mr. SANTORUM):

S. 1796. A bill to modify the enforcement of certain anti-terrorism judgements, and for other purposes; to the Committee on the Judiciary.

THE JUSTICE FOR VICTIMS OF TERRORISM ACT

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the text of S. 1796 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1796

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ENFORCEMENT OF CERTAIN ANTI-TERRORISM JUDGMENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Justice for Victims of Terrorism Act''.

(b) DEFINITION.—

(1) IN GENERAL.—Section 1603(b) of title 28, United States Code, is amended—

(A) in paragraph (3) by striking the period and inserting a semicolon and ''and'';

(B) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(C) by striking ''(b)'' through ''entity—'' and inserting the following:

''(b) An 'agency or instrumentality of a foreign state' means—

''(1) any entity—''; and

(D) by adding at the end the following:

''(2) for purposes of sections 1605(a)(7) and 1610 (a)(7) and (f), any entity as defined under subparagraphs (A) and (B) of paragraph (1), and subparagraph (C) of paragraph (1) shall not apply.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 1391(f)(3) of title 28, United States Code, is amended by striking ''1603(b)'' and inserting ''1603(b)(1)''.

(c) ENFORCEMENT OF JUDGMENTS.—Section 1610(f) of title 28, United States Code, is amended—

(1) in paragraph (1)—

(A) in subparagraph (A) by striking ''(including any agency or instrumentality or such state)'' and inserting ''(including any agency or instrumentality of such state)''; and

(B) by adding at the end the following:

''(C) Notwithstanding any other provision of law, moneys due from or payable by the United States (including any agency, subdivision or instrumentality thereof) to any state against which a judgment is pending under section 1605(a)(7) shall be subject to attachment and execution, in like manner and to the same extent as if the United States were a private person.''; and

(2) by adding at the end the following:

''(3)(A) Subject to subparagraph (B), upon determining on an asset-by-asset basis that a waiver is necessary in the national security interest, the President may waive this subsection in connection with (and prior to the enforcement of) any judicial order directing attachment in aid of execution or execution against the premises of a foreign diplomatic mission to the United States, or any funds held by or in the name of such foreign diplomatic mission determined by the President to be necessary to satisfy actual operating expenses of such foreign diplomatic mission.

''(B) A waiver under this paragraph shall not apply to—

''(i) if the premises of a foreign diplomatic mission has been used for any nondiplomatic purpose (including use as rental property), the proceeds of such use; or

''(ii) if any asset of a foreign diplomatic mission is sold or otherwise transferred for value to a third party, the proceeds of such sale or transfer.

''(4) For purposes of this subsection, all assets of any agency or instrumentality of a foreign state shall be treated as assets of that foreign state.''.

(d) TECHNICAL AND CONFORMING AMENDMENT.—Section 117(d) of the Treasury Department Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–492) is repealed.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim for which a foreign state is not immune under section 1605(a)(7) of title 28, United States Code, arising before, on, or after the date of enactment of this Act.

By Mr. MURKOWSKI:

S. 1797. A bill to amend the Alaska Native Claims Settlement Act, to provide for a land conveyance to the City of Craig, Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS LEGISLATION

Mr. MURKOWSKI. Mr. President, today I introduce a bill to solve a problem unique to Alaska. The city of Craig is located in the far southeastern part of Alaska on Price of Wales Island, the third largest island in the country. Craig is unlike any other small town or village in Alaska. It has no land base upon which to maintain its local services, and no ability to utilize many federal programs which are dependent upon a large Alaska Native population for eligibility.

Nevertheless, the community has grown from a mostly Native population of 250 in 1971 to over 2,500 residents, most of whom are not Alaska Natives. Despite this, the town is surrounded by land selections from two different Alaska village corporations. In fact, 93 percent of the land within the Craig city limits is owned by these village corporations. Under federal law passed in 1987, none of the village land is subject to taxation so long as the land is not developed. The city of Craig has only 300 acres of land owned privately by individuals within its city limits to serve as it municipal tax base. It can annex no other land because the entire land base outside its municipal boundaries is owned by the federal government as part of the Tongass National Forest or other Alaska Native corporation.

Craig's demands for municipal services increase every year as costs go up and population increases. According to the State of Alaska, Craig is the fastest growing first class city in the state. Since its large non-Native majority population make the town and its residents largely ineligible for federal programs which service virtually all other ANSCA villages, it has requested a small conveyance of 4,532 acres of federal land located not far from the town. That land entitlement would permit the city to develop a land base upon which it could support its increasing demand for municipal services.

The land base which is included in this bill has been carefully chosen. It is less than 20 miles from the city and abuts the existing road system. It is the first available land from the city limits not owned by an Alaska native corporation. The land will complete a sound management system by providing municipal ownership of land adjacent to both existing private and state owned land. It will be a good use of this land which is nowhere near any environmentally sensitive lands such as wilderness areas. This part of Prince of Wales Island has roads, communities and other developed sites near it. There will be no land use conflicts created by this conveyance.

Mr. President, my bill provides a direct grant of 4,532 acres to the city. While I looked at a land exchange, the city has no land to trade. The city received no municipal entitlement because the Forest Service never agreed to any land selection by the State of Alaska in this part of Prince of Wales Island. The only substantial land near Craig besides the actual 300 acres on which Craig sits is owned by the federal government in the national forest or by Alaska Native corporations.

I intend to hold a hearing on this bill early in the next session, and begin the process to move the bill through the Senate to final passage in the Congress.

ADDITIONAL COSPONSORS

S. 341

At the request of Mr. CRAIG, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 341, a bill to amend the Internal Revenue Code of 1986 to increase the amount allowable for qualified adoption expenses, to permanently extend the credit for adoption expenses, and to adjust the limitations on such credit for inflation, and for other purposes.

S. 909

At the request of Mr. CONRAD, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 909, a bill to provide for the review and classification of physician assistant positions in the Federal Government, and for other purposes.

S. 1133

At the request of Mr. GRAMS, the name of the Senator from Tennessee (Mr. THOMPSON) was added as a cosponsor of S. 1133, a bill to amend the Poultry Products Inspection Act to cover birds of the order Ratitae that are raised for use as human food.

S. 1266

At the request of Mr. GORTON, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 1266, a bill to allow a State to combine certain funds to improve the academic achievement of all its students.

S. 1303

At the request of Mr. MURKOWSKI, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 1303, a bill to amend the Internal Revenue Code of 1986 to modify certain provisions relating to the treatment of forestry activities.

S. 1322

At the request of Mr. DASCHLE, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1322, a bill to prohibit health insurance and employment discrimination against individuals and their family members on the basis of predictive genetic information or genetic services.

S. 1419

At the request of Mr. MCCAIN, the names of the Senator from Wyoming (Mr. ENZI), the Senator from Texas (Mrs. HUTCHISON), the Senator from Georgia (Mr. CLELAND), the Senator from Michigan (Mr. LEVIN), the Senator from Nebraska (Mr. KERREY), the Senator from Michigan (Mr. ABRAHAM), and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 1419, a bill to amend title 36, United States Code, to designate May as ''National Military Appreciation Month.''

S. 1446

At the request of Mr. LOTT, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1446, a bill to amend the Internal Revenue Code of 1986 to allow an additional advance refunding of bonds originally issued to finance governmental facilities used for essential governmental functions.

S. 1494

At the request of Mr. BINGAMAN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1494, a bill to ensure that small businesses throughout the United States participate fully in the unfolding electronic commerce revolution through the establishment of an electronic commerce extension program at the National Institutes of Standards and technology.

S. 1528

At the request of Mr. LOTT, the names of the Senator from Illinois (Mr.

DURBIN), the Senator from Nebraska (Mr. KERREY), the Senator from New Jersey (Mr. LAUTENBERG), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 1528, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 1547

At the request of Mr. BURNS, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 1547, a bill to amend the Communications Act of 1934 to require the Federal Communications Commission to preserve low-power television stations that provide community broadcasting, and for other purposes.

S. 1619

At the request of Mr. DEWINE, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Kentucky (Mr. MCCONNELL) were added as cosponsors of S. 1619, a bill to amend the Trade Act of 1974 to provide for periodic revision of retaliation lists or other remedial action implemented under section 306 of such Act.

S. 1680

At the request of Mr. ASHCROFT, the names of the Senator from Utah (Mr. HATCH) and the Senator from Georgia (Mr. COVERDELL) were added as cosponsors of S. 1680, a bill to provide for the improvement of the processing of claims for veterans compensation and pensions, and for other purposes.

S. 1708

At the request of Mr. MOYNIHAN, the names of the Senator from Texas (Mrs. HUTCHISON) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 1708, a bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to require plans which adopt amendments that significantly reduce future benefit accruals to provide participants with adequate notice of the changes made by such amendments.

S. 1770

At the request of Mr. LOTT, the names of the Senator from South Carolina (Mr. THURMOND) and the Senator from Michigan (Mr. ABRAHAM) were added as cosponsors of S. 1770, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research and development credit and to extend certain other expiring provisions for 30 months, and for other purposes.

S. 1771

At the request of Mr. ASHCROFT, the names of the Senator from Massachusetts (Mr. KENNEDY) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 1771, a bill to provide stability in the United States agriculture sector and to promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval before the imposition of any unilateral agricultural medical sanction against a foreign country or foreign entity.

S. 1776

At the request of Mr. CRAIG, the names of the Senator from Alaska (Mr. MURKOWSKI) and the Senator from Wyoming (Mr. THOMAS) were added as cosponsors of S. 1776, a bill to amend the Energy Policy Act of 1992 to revise the energy policies of the United States in order to reduce greenhouse gas emissions, advance global climate science, promote technology development, and increase citizen awareness, and for other purposes.

S. 1777

At the request of Mr. CRAIG, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 1777, a bill to amend the Internal Revenue Code of 1986 to provide incentives for the voluntary reduction of greenhouse gas emissions and to advance global climate science and technology development.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. CONRAD, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution expressing the sense of Congress regarding the guaranteed coverage of chiropractic services under the Medicare+Choice program.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. FEINGOLD, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

AMENDMENTS SUBMITTED

AFRICAN GROWTH AND OPPORTUNITY ACT

DEWINE (AND OTHERS) AMENDMENT NO. 2330

(Ordered to lie on the table.)

Mr. DEWINE (for himself, Mr. INOUYE, Mr. LOTT, Mr. CONRAD, and Mr. MCCONNELL) submitted an amendment intended to be proposed by them to the bill (H.R. 434) to authorize a new trade and investment policy for sub-Sahara Africa; as follows:

At the appropriate place, insert the following new section:

SEC. ___. REVISION OF RETALIATION LIST OR OTHER REMEDIAL ACTION.

Section 306(b)(2) of the Trade Act of 1974 (19 U.S.C. 2416(b)(2)) is amended—

(1) by striking ''If the'' and inserting the following:

''(A) FAILURE TO IMPLEMENT RECOMMENDATION.—If the''; and

(2) by adding at the end the following:

''(B) REVISION OF RETALIATION LIST AND ACTION.—

''(i) IN GENERAL.—Except as provided in clause (ii), in the event that the United States initiates a retaliation list or takes any other action described in section 301(c)(1) (A) or (B) against the goods of a foreign country or countries because of the failure of such country or countries to implement the recommendation made pursuant to a dispute settlement proceeding under the World Trade Organization, the Trade Representative shall periodically revise the list or action to affect other goods of the country or countries that have failed to implement the recommendation.

''(ii) EXCEPTION.—The Trade Representative is not required to revise the retaliation list or the action described in clause (i) with respect to a country, if—

''(I) the Trade Representative determines that implementation of a recommendation made pursuant to a dispute settlement proceeding described in clause (i) by the country is imminent; or

''(II) the Trade Representative together with the petitioner involved in the initial investigation under this chapter (or if no petition was filed, the affected United States industry) agree that it is unnecessary to revise the retaliation list.

''(C) SCHEDULE FOR REVISING LIST OR ACTION.—The Trade Representative shall, 120 days after the date the retaliation list or other section 301(a) action is first taken, and every 180 days thereafter, review the list or action taken and revise, in whole or in part, the list or action to affect other goods of the subject country or countries.

''(D) STANDARDS FOR REVISING LIST OR ACTION.—In revising any list or action against a country or countries under this subsection, the Trade Representative shall act in a manner that is most likely to result in the country or countries implementing the recommendations adopted in the dispute settlement proceeding or in achieving a mutually satisfactory solution to the issue that gave rise to the dispute settlement proceeding. The Trade Representative shall consult with the petitioner, if any, involved in the initial investigation under this chapter.

''(E) RETALIATION LIST.—The term 'retaliation list' means the list of products of a foreign country or countries that have failed to comply with the report of the panel or Appellate Body of the WTO and with respect to which the Trade Representative is imposing duties above the level that would otherwise be imposed under the Harmonized Tariff Schedule of the United States.''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, October 26, 1999, at 9:30 a.m. in open session, to receive testimony on the status of U.S. military forces.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, October 26, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to receive testimony on the interpretation and implementation plans of ''Subsistence Management Regulations for Public Lands in Alaska, Subparts A, B, C, and C, Redefinition to Include Water Subject to Subsistence Priority: Final Rule.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet on Tuesday, October 26, 1999 at 10:00 a.m., to hear testimony on the Use of Seclusion and Restraints in Mental Hospitals and the Nomination hearing for William Halter, to be Deputy Commissioner, Social Security Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, the Committee on the Judiciary Subcommittee on Administrative Oversight and the Courts requests unanimous consent to conduct a hearing on Tuesday, October 26, 1999 beginning at 2:00 p.m. in S–407, The Capitol.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, the Committee on the Judiciary requests unanimous consent to conduct a hearing on Tuesday, October 26, 1999 beginning at 3:00 p.m. in Dirksen Room 226.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet at 2:30 p.m. on Tuesday, October 26, 1999, in open session, to receive testimony on the Real Property Maintenance program and the Maintenance of Historic Homes and Senior Officers' Quarters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO DR. JOHN FRYMOYER

• Mr. JEFFORDS. Mr. President, I rise today to pay tribute to an outstanding Vermonter, Dr. John Frymoyer. John's unwavering commitment toward improving the health of all Vermonters serves as a testament to us all. His long and distinguished career began at the University of Vermont in 1964. Now, as he prepares for his retirement, he is a stunning example of how much one person can accomplish in a lifetime—how one person can positively affect so many.

John began his career specializing in orthopaedics and quickly became one of the world's leading authorities on lower back pain—something many of us can relate to. He served as Chairman of the Department of Orthopaedic Surgery from 1979–1987, and Chief Executive Officer of the University Health Center from 1987–1991. His leadership posts include the Director of the McClure Musculoskeletal Research Center and one of the founders of the Vermont Back Research Center. He also helped launch the acclaimed International Society for the Study of the Lumbar Spine.

John was one of the key architects of Fletcher Allen Health Care, which in 1995 combined the Medical Center Hospital of Vermont, Fanny Allen Hospital and the University Health Center. In doing so, Fletcher Allen emerged as one of northern New England's preeminent health care providers. It was a very bold move, but a necessary one considering the dynamics of our health care system. John rose to the challenge, and it was no surprise that he served as Fletcher Allen's first chief executive officer, simultaneously while he was at the helm of the College of Medicine.

Since 1991, John has served as Dean of the University of Vermont College of Medicine. Simply put, his accomplishments as Dean are far too many to list, but certainly, strengthening UVM's research programs, building a curriculum for the 21st century, and addressing the unique health care needs of our rural communities are among them. On a more personal note, whether as Dean, doctor or professor, John was always approachable, something I know his students, faculty and staff admired and appreciated.

I should also acknowledge John's willingness to personally advise me over the years on critical health care and education matters. As a longtime member, and now Chairman, of the committee which oversees health care and education policy, it was comforting to know that I could always rely on John's competence and expertise in such areas as medical research, telemedicine, home health care, graduate medical education and Medicare reform. In this, as in every other capacity, his mark has been left far beyond that of the UVM campus. It is this deep commitment to his patients, students and the greater community that has endeared him to us.

One might imagine that amidst all his responsibilities, John would find little time for extracurricular activities—not so. John is also an accomplished organist, a published author and a skilled woodworker. In fact, he designed much of the furniture adorning the Dean's office. He also helped design an extensive playground for Burlington's King Street Area Youth Program, and he served as a captain in the Vermont National Guard for eight years.

Vermont has much to be grateful for when it comes to John's steadfast commitment to improving the quality of life in our small state. Although he is retiring on the last day of this century, it is reassuring to know that his legacy will lead the College of Medicine, Fletcher Allen and the greater community we call Vermont, into the next millennium. For that, Vermont owes a great deal of gratitude to John Frymoyer. We wish him well.•

THE PASSING OF MR. HARRY VANDEMORE

• Mr. JOHNSON. Mr. President, today I rise to honor the memory of a departed friend and trusted advisor, Harry VandeMore of Canton, South Dakota; a lifelong advocate for veterans and the citizens of Lincoln County, South Dakota.

Harry's dedication to community began with his own service in the Seventh Infantry Division of the United States Army. He served meritoriously on the frontlines of the Korean War, earning the Combat Infantryman Badge for Excellent Performance. Unfortunately, on October 14, 1952, he received serious combat injuries to the face, left arm, and left leg. For two years, he underwent thirty surgeries at Denver's Fitzsimmons Army Hospital to mend his injuries. As a result of his injuries, he was awarded the Purple Heart.

After being discharged, he returned to Hudson, South Dakota, where he married Rose Ann McNamara, his wife of forty-four years, and farmed the lands of Hudson with his parents and brothers. Community was second only to his family. Harry always brought his family to events he attended. Many people who worked with Harry knew his children just as well.

Harry dedicated his life to veterans ''because he went through it,'' according to Rose, his wife. His first service was to help the returning Vietnam War veterans who were facing mass rejection. Harry was honored by his peers when he was elected to the Disabled American Veterans National Executive Committee for the Fourteenth District, gaining wide respect serving a four-state region. His dedication was also present with his eighteen years on the state D.A.V. Executive Committee where he served as state commander; with his years as American Legion Post Commander in Hudson; and as president of the South Dakota Veteran's Council.

Many have dedicated their life only to this very important cause, but Harry also served the whole community with seven years as chairman of the Hudson School Board and his years on the Lincoln County Planning and Zoning Commission. It was on the commission where he helped make roads safer for fellow farmers because they were farm-to-market roads.

Harry was always a valuable citizen-counsel to me. He always helped to keep me abreast of veterans' hardships during my days as a state legislator, then as a member of the House, and now, during my service in the U.S. Senate. I will forever miss his perspective on the uniquely tragic situation many of America's servicemen and women are in today. His life is a model to all South Dakotans and all Americans.

Harry VandeMore will be missed. He served by dedicating his life to his community and comrades, leading by example. As a soldier, a farmer, a husband and father, and as a public servant, he served not only the veterans, who are too often passed over, but the entire community, so others would not have to go through hardship.●

GRIZ ACES PROGRAM

● Mr. BURNS. Mr. President, I rise today to recognize the Griz ACES (Athletes Committed to Excellence in School, Sport, Services, and Social responsibility) Program at The University of Montana-Missoula. This Veterans Day, November 11, 1999, over 200 student athletes will forgo a holiday to serve the Missoula community by participating in ''Smart Choice Day.'' Grizzly athletes will visit local schools and promote the concept of service above self. They will speak to students about the virtues of being a positive role model. Griz ACES is a comprehensive year-round program of personnel development that is based on our Nation's founding principle, which is service to country. I commend these student athletes and the service men and women who have provided the guiding light for this excellent program.●

TRIBUTE TO LT. COL. ALKIE CARL KAUFMAN

● Mr. REED. Mr. President, I rise today to recognize Lt. Col. Alkie Carl Kaufman (RET) on the occasion of his ninetieth birthday.

Lt. Col. Kaufman enlisted in the United States Army, Company E, 121st Infantry, Georgia National Guard in January 1927. In September 1940, he was called to active duty with the 121st Infantry, Fort Jackson, South Carolina. Lt. Col. Kaufman bravely served as a company commander in the 30th Infantry Division, 8th Infantry Division and 77th Infantry Division during World War II. Later, Lt. Col. Kaufman served as company commander, battalion executive officer, battalion commander, and Regimental S–2 (Intelligence Officer) with the 94th Infantry Division in the European Theater of Operations during World War II.

Following World War II and the Korean Conflict, Lt. Col. Kaufman proudly served his country across the country and around the globe. His assignments included Fort Lewis, Washington, Fort Bragg, North Carolina, Tokyo, Japan, and Giessen, Germany. Lt. Col. Kaufman retired from the Army in 1960 with more than 33 years of service to the nation.

After retiring from military service, Lt. Col. Kaufman joined the staff of the First National Bank of Brunswick and retired as Vice President for Loans in 1977.

Lt. Col. Kaufman and his wife Frances had two children who chose to follow in their father's footsteps and join the armed services. Carl Kaufman retired from the U.S. Air Force with twenty-two years of service, and Col. Daniel Kaufman has served the United States Army for thirty-one years and is currently professor and Head of the Department of Social Sciences at the United States Military Academy.

I am proud to salute Lt. Col. Kaufman for his great service to his nation and his family and I wish him well as he celebrates his ninetieth birthday.●

TRIBUTE TO THE CHITTENDEN COUNTY METROPOLITAN PLANNING ORGANIZATION

● Mr. JEFFORDS. Mr. President, I rise today to recognize the Chittenden County Metropolitan Planning Organization (CCMPO) for having won the 1999 Overall Achievement Award from the Association of Metropolitan Planning Organizations.

In receiving this award, the CCMPO is being recognized by its peers for excellence in coalition building, innovative planning and programming, integration of transportation planning with land use and community development, and for implementation of the Surface Transportation Equity Act.

Citizen participation, consensus building and pragmatic implementation have long been hallmarks of Vermont civic life. I am proud that the CCMPO has received such a prestigious award for bringing these qualities to their work.

The Chittenden County Metropolitan Organization is an effective administrator of federal and state transportation funds, but has gone well beyond this basic role to also develop alternative transportation plans and support public transportation systems. The CCMPO has also taken an active role in exploring the relationship between transportation planning and smart growth strategies, helping to make Vermont a nationally recognized leader in this subject area.

Mr. President, it is with great pleasure that I join the Association of Metropolitan Planning Organizations in honoring the members and staff of the Chittenden County Metropolitan Planning Organization for their significant achievements.●

RETIREMENT OF JUDGE JOHN L. PETERSON

● Mr. BAUCUS. Mr. President, I rise today to pay tribute to the long and distinguished career of Judge John L. Peterson. After serving in the District Bankruptcy Court for 35 years, Jack is retiring. As a native of Butte, MT, Jack has become a fixture in the Montana court system.

His tenure on the bench has earned him the distinction as ''Dean'' of bankruptcy judges in this century. Jack is a no-nonsense type of judge, just ask any lawyer that has ever come before Judge Peterson, they had to learn that quickly. He has saved bankruptcy clients and lawyers thousands of dollars by pioneering video trials. He has proved over and over that he is innovative and effective. As the longest serving bankruptcy judge in the United States his experience and wisdom will be sorely missed..

Although his absence will leave a void in the courts, the handball courts and golf courses in Butte will get to see a lot more of him. Jack's retirement will also allow him to spend some welcome time with his wife, Jean, his three children and four grandchildren.

On behalf of myself and the people of Montana who have benefited from Judge Peterson's wisdom and service over the last 35 years, I extend my thanks and warmest wishes for a long and happy retirement.●

HONORING RAMON DE LA CRUZ

● Mr. TORRICELLI. Mr. President, I rise today to recognize the efforts of my constituent, Mr. Ramon de la Cruz, who serves as President of the Hispanic Bar Association, HBA, of New Jersey. Mr. de la Cruz is being honored on November 6, 1999 at the Annual Scholarship Gala of the Hispanic Bar Association of New Jersey, and I am proud to congratulate him on a job well done.

Recently, we celebrated National Hispanic Heritage Month. I am proud today to recognize the efforts of a man and organization who illustrate so well the strong work ethic, deep affinity to service and commitment to our nation of the Hispanic American community. For countless years, Hispanic Americans have played an integral role in our legal system, and I am proud to represent a state with a large concentration of Hispanic Americans. Their commitment to this country has not gone unnoticed.

Ramon de la Cruz has been active with the HBA for the past ten years and has served with distinction. He has lent his support to countless causes, including the promotion of qualified Hispanic lawyers for state and federal judgeships, creating scholarship opportunities for law students, and initiating professional exchange opportunities in conjunction with other bar associations. Additionally, Ramon has served as editor of ABOGADO, the official publication of the HBA, for four years. Furthermore, when it came time to consider candidates for the federal bench, Ramon was one of the people I turned to for assistance. I was proud to submit to the White House the nomination of Judge Julio Fuentes to the U.S. Court of Appeals for the Third Circuit, and Ramon worked extensively with my staff to bring this to fruition. Ramon has been vital to the success of the Hispanic Bar Association of New Jersey. Through his efforts, membership has grown to approximately three times that of previous years.

Mr. de la Cruz is a resident of Guttenberg in the diverse County of Hudson, which is home to countless Hispanic Americans that I have the privilege of representing. Since its inception and through Ramon's leadership, the HBA has been dedicated to making a real difference in our state, and indeed the nation. Ramon has brought vision and new energy to this organization.

The judicial branch plays such a critical role in the life of our democratic institutions, and the industry is well served by true professionals like Ramon de la Cruz. His credentials and background are indeed impressive.

The HBA's positive impact on the Hispanic community has spread to other communities in a manner that transcends racial and ethnic differences. Mr. President, activism is important to creating a sense of personal responsibility for one's community. The HBA embodies this concept, and should be celebrated for successfully instilling it in others. I take pride in recognizing distinguished individuals in the great State of New Jersey like Ramon de la Cruz.●

TRIBUTE TO CITY YEAR'S OUTSTANDING ACHIEVEMENT

● Mr. KENNEDY. Mr. President, I welcome this opportunity to commend City Year, a community service program which began eleven years ago in Boston. This landmark program became the prototype for AmeriCorps, which celebrates its own 5th anniversary this week.

City Year has an impressive history of working closely with Boston's Mayor Menino to support his work in developing youth leadership, protecting public health, and building stronger local communities. City Year also works closely with the Boston Superintendent of Schools, Tom Payzant, and other educational leaders to develop innovative curriculum-based service learning projects. City Year has also engaged area business in supporting its efforts, so that each year they have been able to increase its membership and its effectiveness.

Today, City Year organizations are found in eleven cities across the country. Each local corps is dedicated to offering 17–24 year olds a challenging year of full-time service, leadership development and community involvement. The founders of City Year—Michael Brown and Alan Khazei—has a vision that individuals working together could solve almost any problem. My brothers, President Kennedy and Senator Robert Kennedy, shared that vision. Today, that spirit of idealism is transforming communities across the country and inspiring thousands of young men and women to become involved in helping others.

A recent article in the Philadelphia Inquirer Magazine eloquently describes the extraordinary achievements of City Year, and I ask that it be printed in the RECORD.

The article follows.

CORPS VALUES

(By Melissa Dribben)

''Have you heard Robert F. Kennedy's theory about ripples?'' asks Kelly Dura.

She tries to summon up the quote. ''It's something like 'If you strike out against oppression with ripples of hope . . .' ''

She frowns. ''Wait,'' she says, ''it's much better than that. I don't want to guess. I'll get it for you in a minute.''

Dura, with a shag of red hair, looks at you straight on, through eyes big and clear as cat's-eye marbles. She wants to get this right. She wants to get everything right.

She's 24. A fervent idealist and veteran volunteer with City Year, an urban community service program, which is a division of the national Americorps.

If she can't rattle off the quotation verbatim, Dura clearly gets the gist.

The words were spoken by Kennedy in a speech about the effect a single person can have on the monumental problems of society. For Dura, as well as the 130 other young men and women who will serve this year in Philadelphia, inspirational quotations are sustenance. They help feed the corps' enthusiasm through what is a frequently difficult, but rewarding, time.

The work is hard, and the relationships intense.

''A lot of optimists come in, wanting to change everything right away,'' says Dura. ''You just can't. Change takes time.''

City Year volunteers, who receive a small stipend for their work, spend the year in teams of 10, mentoring elementary school students, distributing books to literacy centers and teaching children how to resolve conflicts without the use of knuckles or steel-toe boots. They spend time listening, really listening, to senior citizens in nursing homes, ladling out chicken and noodles in soup kitchens, rebuilding homes with Habitat for Humanity, painting murals on tenement walls and cleaning up weeds and old tires along SEPTA's train tracks.

While they are in the program, volunteers must promise not to spew any profanity in public, jaywalk, pierce any part of their face or wear Walkmen while out on the street (in case someone wants to ask them a question about the program).

''It's a sacrifice for a good cause,'' says Nikki Owens, 20, a senior corps member, who has had to postpone putting a stud below her lower lip.

The volunteers wear uniforms—white polo shirts, khaki pants, work boots and scarlet jackets—provided by Timberland, the program's national sponsor. Locally, their work is supported by corporations, who donate $70,000 or more each year for the City Year projects, a sum matched by federal grants.

The program, which is in its 10th year, was started in Boston by two Harvard Law School grads. There are now City Year teams in nine cities, plus Rhode Island. Three years ago, it landed in Philadelphia, where it has been one of the most successful—with the fastest growing membership in the country.

Some of the volunteers, like Dura, come from comfortable homes in the suburbs. Some are college graduates trying to find themselves before moving on with their lives and careers. Some are the daughters of drug addicts who grew up in the city's worst neighborhoods, or teenage fathers, or high school dropouts who were floundering until they bumped into a City Year recruitment officer.

Dion Jones, 22, had been ''sitting around for a couple of years'' after finishing high school in North Philadelphia. Last year, he was in the Gallery with his 2-year-old son, Saadiq, when the boy saw some balloons at a table and asked his father to get him one. At the table was a representative from City Year, doling out information and application forms. Jones filled one out. ''I didn't know what kind of job it was,'' he says. ''But I needed a paycheck.''

A few weeks later, he got a call to come in for an interview. He missed the appointment. And the next. But after the City Year staff called a third time, he showed up.

''I did service in my own neighborhood,'' he says, rubbing the heavy ankh ring on his pinkie. ''The one thing that gives me hope is the kids. They're happy to see you.

''Seeing them smile—it changed me. I've had to be more empathetic. I can't holler or curse. I'm being a role model for my son, 24 hours a day.''

At the annual convention, held in Washington, D.C., at the end of May, each city competes for an award—the Cup of Idealism. This year, Philadelphia won. The huge silver cup sits gleaming on a table covered by a red plastic tablecloth in the City Year offices at 23d and Chestnut.

A tour takes less than five minutes. There are a few offices and a lot of snapshots of volunteers. I step into the elevator. ''Hold it!'' It is Dura, sprinting down the hall. ''I found the quote.''

''Let no one be discouraged by the belief there is nothing one man or one woman can do against the enormous array of the world's ills. * * * Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends a tiny ripple of hope, and, crossing each other from a million different centers of energy and daring, those ripples build a current which can sweep down the mightiest walls of oppression and resistance.''●

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the Democratic Leader, pursuant to Public Law 100–696, announces the appointment of the Senator from California (Mrs. FEINSTEIN) as a member of the United States Capitol Preservation Commission, vice the Senator from North Dakota (Mr. DORGAN).

ORDER FOR TAKING OF PHOTOGRAPH

Mr. BROWNBACK. Mr. President, I ask unanimous consent that at the conclusion of today's session, it be in order for the Senate photographer to take photographs of the desk of our late colleague, John Chafee, and the flowers that sit there.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

EXECUTIVE SESSION

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider Executive Calendar No. 197 on today's Executive Calendar. I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements related to the nomination be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination was considered and confirmed as follows:

DEPARTMENT OF STATE

J. Richard Fredericks, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Principality of Liechtenstein.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

BOUNDARY CHANGE BETWEEN GEORGIA AND SOUTH CAROLINA

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Calendar No. 339, H.J. Res. 62.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The legislative assistant clerk read as follows:

A joint resolution (H.J. Res. 62) to grant the consent of Congress to the boundary change between Georgia and South Carolina.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. BROWNBACK. Mr. President, I ask unanimous consent the joint resolution be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (H.J. Res. 62) was read the third time and passed.

PROSTATE CANCER RESEARCH COMMITMENT RESOLUTION OF 1999

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the committee on HELP be discharged from further consideration of S. Res. 92, and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative assistant read as follows:

A resolution (S. Res. 92) expressing the sense of the Senate that funding for prostate cancer research should be increased substantially.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BROWNBACK. I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD, with the above occurring with no intervening action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 92) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 92

Whereas in 1999, prostate cancer is expected to kill more than 37,000 men in the United States and be diagnosed in over 180,000 new cases;

Whereas prostate cancer is the most diagnosed nonskin cancer in the United States;

Whereas African Americans have the highest incidence of prostate cancer in the world;

Whereas considering the devastating impact of the disease among men and their families, prostate cancer research remains underfunded;

Whereas more resources devoted to clinical and translational research at the National Institutes of Health will be highly determinative of whether rapid advances can be attained in treatment and ultimately a cure for prostate cancer;

Whereas the Congressionally Directed Department of Defense Prostate Cancer Research Program is making important strides in innovative prostate cancer research, and this Program presented to Congress in April of 1998 a full investment strategy for prostate cancer research at the Department of Defense; and

Whereas the Senate expressed itself unanimously in 1998 that the Federal commitment to biomedical research should be doubled over the next 5 years: Now, therefore, be it

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the ''Prostate Cancer Research Commitment Resolution of 1999''.

SEC. 2. SENSE OF THE SENATE.

It is the sense of the Senate that—

(1) finding treatment breakthroughs and a cure for prostate cancer should be made a national health priority;

(2) significant increases in prostate cancer research funding, commensurate with the impact of the disease, should be made available at the National Institutes of Health and to the Department of Defense Prostate Cancer Research Program; and

(3) these agencies should prioritize prostate cancer research that is directed toward innovative clinical and translational research projects in order that treatment breakthroughs can be more rapidly offered to patients.

ADOPTED ORPHANS CITIZENSHIP ACT

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 337, S. 1485.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative assistant read as follows:

A bill (S. 1485) to amend the Immigration and Nationality Act to confer United States citizenship automatically and retroactively on certain foreign-born children adopted by citizens of the United States.

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1485) was read the third time and passed, as follows:

S. 1485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Adopted Orphans Citizenship Act''.

SEC. 2. ACQUISITION OF UNITED STATES CITIZENSHIP BY CERTAIN ADOPTED CHILDREN.

(a) AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT.—Section 301 of the Immigration and Nationality Act (8 U.S.C. 1401) is amended—

(1) by striking ''and'' at the end of subsection (g);

(2) by striking the period at the end of subsection (h) and inserting ''; and''; and

(3) by adding at the end the following:

''(i) an unmarried person, under the age of 18 years, born outside the United States and its outlying possessions and thereafter adopted by at least one parent who is a citizen of the United States and who has been physically present in the United States or one of its outlying possessions for a period or periods totaling not less than 5 years prior to the adoption of the person, at least 2 of which were after attaining the age of 14 years, if—

''(1) the person is physically present in the United States with the citizen parent, having attained the status of an alien lawfully admitted for permanent residence;

''(2) the person satisfied the requirements in subparagraph (E) or (F) of section 101(b)(1); and

''(3) the person seeks documentation as a United States citizen while under the age of 18 years.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to persons adopted before, on, or after the date of enactment of this Act.

INCLUSION OF RAILROAD POLICE OFFICERS IN FBI LAW ENFORCEMENT TRAINING

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 336, S. 1235.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative assistant read as follows:

A bill (S. 1235) to amend part G of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to allow railroad police officers to attend the Federal Bureau of Investigation National Academy for law enforcement training.

There being on objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, I am pleased that the Senate will approve S. 1235, legislation which I introduced to provide railroad police officers the opportunity to attend the Federal Bureau of Investigation's National Academy for law enforcement training in

Quantico, Virginia. I thank Senators HATCH, BIDEN, DEWINE, SCHUMER, HELMS, and GRAMS for their co-sponsorship of our bipartisan bill.

The FBI is currently authorized to offer the superior training available at the FBI's National Academy only to law enforcement personnel employed by state or local units of government. Police officers employed by railroads are not allowed to attend this Academy despite the fact that they work closely in numerous cases with Federal law enforcement agencies as well as State and local law enforcement. Providing railroad police with the opportunity to obtain the training offered at Quantico would improve inter-agency cooperation and prepare them to deal with the ever increasing sophistication of criminals who conduct their illegal acts either using the railroad or directed at the railroad or its passengers.

Railroad police officers, unlike any other private police department, are commissioned under State law to enforce the laws of that State and any other State in which the railroad owns property. As a result of this broad law enforcement authority, railroad police officers are actively involved in numerous investigations and cases with the FBI and other law enforcement agencies.

For example, Amtrak has a police officer assigned to the New York City Joint Task Force on Terrorism, which is made up of 140 members from such disparate agencies as the FBI, the U.S. Marshals Service, the U.S. Secret Service, and the Bureau of Alcohol, Tobacco and Firearms. This task force investigates domestic and foreign terrorist groups and responds to actual terrorist incidents in the Metropolitan New York area.

Whenever a railroad derailment or accident occurs, often railroad police are among the first on the scene. For example, when a 12-car Amtrak train derailed in Arizona in October 1995, railroad police joined the FBI at the site of the incident to determine whether the incident was the result of an intentional criminal act of sabotage.

Amtrak police officers have also assisted FBI agents in the investigation and interdiction of illegal drugs and weapons trafficking on transportation systems in the District of Columbia and elsewhere. In addition, using the railways is a popular means for illegal immigrants to gain entry to the United States. According to recent congressional testimony, in 1998 alone, 33,715 illegal aliens were found hiding on board Union Pacific railroad trains and subject to arrest by railroad police.

With thousands of passengers traveling on our railways each year, making sure that railroad police officers have available to them the highest level of training is in the national interest. The officers that protect railroad passengers deserve the same opportunity to receive training at Quantico that their counterparts employed by State and local governments enjoy. Railroad police officers who attend the FBI National Academy in Quantico for training would be required to pay their own room, board and transportation.

This legislation is supported by the FBI, the International Association of Chiefs of Police, the Union Pacific Railroad Company, and the National Railroad Passenger Corporation.

I urge prompt consideration by the House of Representatives of this legislation to provide railroad police officers with the opportunity to receive training from the FBI that would increase the safety of the American people.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1235) was read the third time and passed, as follows:

S. 1235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCLUSION OF RAILROAD POLICE OFFICERS IN FBI LAW ENFORCEMENT TRAINING.

(a) IN GENERAL.—Section 701(a) of part G of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3771(a)) is amended—

(1) in paragraph (1)—

(A) by striking ''State or unit of local government'' and inserting ''State, unit of local government, or rail carrier''; and

(B) by inserting '', including railroad police officers'' before the semicolon; and

(2) in paragraph (3)—

(A) by striking ''State or unit of local government'' and inserting ''State, unit of local government, or rail carrier'';

(B) by inserting ''railroad police officer,'' after ''deputies,'';

(C) by striking ''State or such unit'' and inserting ''State, unit of local government, or rail carrier''; and

(D) by striking ''State or unit.'' and inserting ''State, unit of local government, or rail carrier.''.

(b) RAIL CARRIER COSTS.—Section 701 of part G of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3771) is amended by adding at the end the following:

''(d) RAIL CARRIER COSTS.—No Federal funds may be used for any travel, transportation, or subsistence expenses incurred in connection with the participation of a railroad police officer in a training program conducted under subsection (a).''.

(c) DEFINITIONS.—Section 701 of part G of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3771) is amended by adding at the end the following:

''(e) DEFINITIONS.—In this section—

''(1) the terms 'rail carrier' and 'railroad' have the meanings given such terms in section 20102 of title 49, United States Code; and

''(2) the term 'railroad police officer' means a peace officer who is commissioned in his or her State of legal residence or State of primary employment and employed by a rail carrier to enforce State laws for the protection of railroad property, personnel, passengers, or cargo.''.

AUTHORIZING THE USE OF THE CAPITOL ROTUNDA FOR THE PRESENTATION OF THE CONGRESSIONAL GOLD MEDAL TO PRESIDENT AND MRS. GERALD R. FORD

Mr. BROWNBACK. Mr. President, I ask unanimous consent that H. Con Res. 196 be discharged from the Rules Committee and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the resolution by title.

The legislative assistant read as follows:

A concurrent resolution (H. Con. Res 196) permitting the use of the rotunda of the Capitol for the presentation of the Congressional Gold Medal to President and Mrs. Gerald R. Ford.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 196) was agreed to.

ORDERS FOR WEDNESDAY, OCTOBER 27, 1999

Mr. BROWNBACK. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Wednesday, October 27. I further ask consent that on Wednesday, immediately following the prayer, the Journal of the proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to a period of morning business, with Senators permitted to speak therein for up to 5 minutes each, with the following exceptions: Senator DURBIN or designee, from 9:30 to 10 a.m.; Senator THOMAS or designee, from 10 to 10:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BROWNBACK. Mr. President, for the information of all Senators, the Senate will be in a period of morning business from 9:30 to 10:30 a.m. By a previous consent agreement, debate on the African trade bill will begin at 10:30 a.m. Amendments to the bill are expected, and it is hoped that time agreements can be reached on those amendments so that the Senate can complete action on the bill in a timely manner. The Senate may also consider legislative or executive calendar items cleared for action during tomorrow's session of the Senate.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. BROWNBACK. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:26 p.m., adjourned until Wednesday, October 27, 1999, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 26, 1999:

THE JUDICIARY

ANNA BLACKBURNE-RIGSBY, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE ERIC T. WASHINGTON.

THOMAS J. MOTLEY, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE ROBERT SAMUEL TIGNOR, TERM EXPIRED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. BRUCE A. CARLSON, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. STEPHEN B. PLUMMER, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general, Medical Corps

COL. LESTER MARTINEZ-LOPEZ, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. BRUCE B. BINGHAM, 0000

CONFIRMATION

Executive nomination confirmed by the Senate October 26, 1999:

DEPARTMENT OF STATE

J. RICHARD FREDERICKS, OF CALIFORNIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SWITZERLAND, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PRINCIPALITY OF LIECHTENSTEIN.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.